

**KHQA AND WHOI**

**ASSET PURCHASE AGREEMENT**

**BY AND AMONG**

**PILOT TV ACQUISITION CORPORATION,**

**CHELSEY BROADCASTING COMPANY OF QUINCY, LLC,**

**CHELSEY BROADCASTING COMPANY OF PEORIA, LLC,**

**AND**

**CHELSEY BROADCASTING COMPANY, LLC**

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## ASSET PURCHASE AGREEMENT

**AGREEMENT** dated as of this 31st day of December 2003, by and among **Pilot TV Acquisition Corporation**, a Delaware corporation having its principal place of business at 625 Madison Avenue, New York, New York 10022 ("Purchaser"), **Chelsey Broadcasting Company of Quincy, LLC** ("CBQ"), a Delaware limited liability company having its principal place of business at 301 South 36<sup>th</sup> Street, Quincy, Illinois, 62301, **Chelsey Broadcasting Company of Peoria, LLC** ("CBP"), a Delaware limited liability company having its principal place of business at 500 N. Stewart Street, Creve Coeur, Illinois 61610 (collectively, CBQ and CBP, "Sellers", and each individually, a "Seller") and **Chelsey Broadcasting Company, LLC**, a Delaware limited liability company having its principal place of business at 17 Foxhall Place, Scarsdale, New York 10583 ("CBC").

### W I T N E S S E T H :

**WHEREAS**, CBQ owns and operates television station KHQA in Hannibal, Missouri/Quincy, Illinois, ("KHQA") and CBP owns and operates television station WHOI in Peoria-Bloomington, Illinois ("WHOI") (KHQA and WHOI, collectively, the "Stations") pursuant to licenses issued by the Federal Communications Commission (the "FCC"); and

**WHEREAS**, CBC owns all of the outstanding membership interests of each of CBQ and CBP; and

**WHEREAS**, Sellers desire to sell, transfer, convey and assign, and Purchaser desires to purchase and acquire substantially all of the assets, properties and rights of Sellers in the Stations on the terms and conditions set forth herein; and

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

#### 1. Definitions

Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

1.1. The term "Affiliate" means, with respect to a Person, any other Person which, directly or indirectly, is in control of, is controlled by or is under common control with such Person. For purposes of the foregoing definition, "control" of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

1.2. The term "Agreement" means this agreement, including the Schedules and all exhibits hereto, as the same may be amended or otherwise modified from time to time, and the terms "herein", "hereof", "hereunder" and like terms shall be taken as referring to this Agreement in its entirety and shall not be limited to any particular Section or provision hereof.

1.3. The term "Barrington" means Barrington Broadcasting Company, LLC, a Delaware limited liability company.

1.4. The term "Code" means the Internal Revenue Code of 1986, as amended.

1.5. The term "Communications Act" means the Communications Act of 1934, as amended.



1.6. The term “Confidential Information” means any confidential or secret information or data, whether or not reduced to writing, pertaining to Sellers and the business or operations of the Stations, including technical knowledge, expertise, skill, practice, proprietary rights, patented or unpatented inventions, formulas, trade secrets, analytical methodology, processes, data, information relative to the current or proposed business, sales and marketing plans with respect to Sellers or the business or operation of the Stations, including costs and pricing information, identification of personnel or other possible resources for possible use with respect thereto; provided, however, the term “Confidential Information” shall not include any information that (i) is now or subsequently enters the public domain through means other than direct or indirect disclosure by such Person in violation of the terms of this Agreement or (ii) as it relates to the obligations of Purchaser hereunder, is lawfully communicated to the Purchaser by a third party, free of any confidentiality obligation.

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

1.8. The term “ERISA Affiliate” shall mean with respect to Sellers, all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with Sellers are treated as a single employer under any or all of Sections 414(b), (c), (m) or (o) of the Code.

1.9. The term “Escrow Agent” means United Bank, a Virginia bank.

1.10. The term “Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601, et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §11001, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136, et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act (Federal Water Pollution Control Act), 33 U.S.C. §§1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§300f, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§1801, et seq.; all regulations promulgated under all such Acts, as well as any other Federal, state or local law, ordinance or regulation pertaining to health, industrial hygiene or the environment and/or applicable to the existence, removal, generation, transportation, discharge, process, storage or treatment of Hazardous Substances.

1.11. The term “FCC Consents” means the actions by the FCC granting its consent to the assignment of the Station Licenses to Purchaser as contemplated by this Agreement.

1.12. The term “GAAP” means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principals Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

1.13. The term “Final Order” means an FCC Consent as to which (a) no request for stay by the FCC is pending, and no such stay is in effect; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC Consent is pending or in effect, and the deadline for filing any such appeal has passed.

1.14. The term “Hazardous Substances” means any and all pollutants, contaminants, hazardous substances, hazardous wastes, toxic pollutants, toxic substances, caustics, radioactive substances or materials, hazardous materials, chemicals, industrial wastes, and any and all other sources of pollution or contamination, or terms of similar import that are identified, listed, regulated under any Environmental Law and including under any Federal Law, including those with respect to crude oil, petroleum and its derivatives, products and by-products, natural or synthetic gas, any other hydrocarbons, heavy metals, asbestos, asbestos-containing materials, lead, lead-based paint, urea formaldehyde, pesticides, nuclear fuel and polychlorinated biphenyls.

1.15. The term “Intellectual Property” means any (i) United States and foreign patents, patent applications, patent disclosures, inventions and improvements thereto (collectively, “Patents”), (ii) United States and foreign trademarks, service marks, trade dress, logos, trade names and corporate names, the goodwill associated therewith, and the registrations and applications for registration thereof (collectively, “Trademarks”) and (iii) United States and foreign copyrights, and the registrations and applications for registration thereof (collectively, “Copyrights”).

1.16. The term “knowledge” or similar words shall be deemed to mean, (a) in the case of either Seller, the actual personal knowledge of those employees of such Seller identified under Section A on Schedule 1.16 annexed hereto; (b) in the case of Purchaser, the actual personal knowledge of those employees of Purchaser identified under Section B on Schedule 1.16 annexed hereto; (c) in the case of Barrington the actual personal knowledge of those employees of Barrington identified under Section C on Schedule 1.16 annexed hereto; and (d), in the case of either Seller, Purchaser or Barrington, as applicable, such knowledge as a reasonably prudent person would have after due inquiry into the matter at issue.

1.17. The term “Letter of Intent” means the Letter of Intent dated September 10, 2003 between Purchaser and CBC.

1.18. The term “Lien” means any charge, lien, mortgage, pledge, security interest, financing statement, claim, option, restriction or other encumbrance of any 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) upon, of or in property or other assets of a Person, whether absolute or conditional, voluntary or involuntary, whether created pursuant to agreement, arising by force of statute, by judicial proceedings or otherwise.

1.19. The term “Management Agreement” means that certain Management Services Agreement, entered into as of the date hereof, by and between CBC and Barrington.

1.20. The term “Material Adverse Effect” means (i) any change or effect that is materially adverse to the properties, operations, business, condition (financial or otherwise) or results of operations of either Station or with respect to the Assets; (ii) any effect with respect to the business or operation of either Station, including each Station and the Assets, that materially delays or prevents the consummation of the transactions contemplated hereby, including the grant of the FCC Consent with respect to either Station; (iii) an effect that creates a material limitation on the ability of Purchaser to conduct the business or operation of either Station as conducted as of the date hereof in all material respects; or (iv) an effect that creates a limitation in the ability of Purchaser to acquire valid and marketable title to the Assets free and clear of all Liens (other than Permitted Liens).

1.21. The term “Permits” means all licenses, permits, construction permits, approvals, concessions, franchises, certificates, consents, qualifications, registrations, privileges and other authorizations and other rights, other than the FCC Licenses, from any governmental authority to any

Seller currently in effect and used in connection with the business or operation of either Station, together with any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Closing Date.

1.22. The term "Permitted Liens" means any and all of (i) Liens for inchoate mechanics' and materialmen's Liens for construction in progress and workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business and which are not delinquent, (ii) Liens for taxes not yet due and payable, and for taxes being contested in good faith, (iii) Liens and imperfections of title the existence of which does not materially detract from the value of, or materially interfere with the use and enjoyment of, the property subject thereto or affected thereby, for the same uses and operations as currently conducted, (iv) solely with respect to Owned Real Property, provided that the following are not violated by existing improvements in any material respect and do not prohibit or materially restrict the continued use and operation of such Owned Real Property for the same uses and operations as currently conducted, or grant any third party any option or right to acquire or lease a material portion thereof, (A) covenants, restrictions, agreements, reservations, easements, and rights of way which would be shown by a current title report, (B) conditions that may be shown by a current survey, or physical inspection or (C) zoning, building or other similar restrictions imposed by applicable law and (v) Liens listed on Schedule 1.22 annexed hereto.

1.23. The term "Person" shall include an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an estate, an unincorporated organization or association or a governmental agency.

1.24. The term "Proprietary Rights" means any (i) Intellectual Property, (ii) trade secrets and confidential business information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information), (iii) other proprietary rights, (iv) copies and tangible embodiments thereof (in whatever form or medium) and (v) licenses granting any rights with respect to any of the foregoing.

1.25. The term "Station Licenses" means the licenses, permits, special temporary authorizations, and other authorizations, including those listed on Schedule 7.4 annexed hereto, issued by the FCC to (i) CBQ in connection with the conduct of the business and operation of the KHQA and (ii) CBP in connection with the conduct of the business and operation of WHOI, together with (in the case of both clauses (i) and (ii)) with any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Closing Date.

1.26. The term "Towers" means all antenna support structures, including any guy anchors and guy wires, used in connection with the operation of either Station.

1.27. Unless the context otherwise requires:

1.27.1. a term has the meaning assigned to it;

1.27.2. an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP and all accounting calculations will be determined in accordance with such principles;

1.27.3. "or" is not exclusive;

1.27.4. "including" means including without limitation; and

1.27.5. words in the singular include the plural and words in the plural include the singular.

## **2. Purchase and Sale of Assets.**

2.1. **Assets.** On the terms and subject to the conditions of this Agreement, Sellers shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall acquire and accept from Sellers, on the Closing Date, all of the right, title and interest of each Seller in and to all assets, properties and rights of each Seller used, useable or held for use in connection with the business and operation of the Stations or located on or at the Real Property, of every nature, kind and description, wherever located, tangible and intangible, real, personal and mixed (excluding only the Excluded Assets as specified in Section 2.2 below) (the "Assets"), including the following:

2.1.1. all rights in and to the Permits and Station Licenses including those listed on Schedule 7.4 annexed hereto, the goodwill and other intangible personal property associated with or related to the Stations or the operation thereof, the business of the Stations as going concerns, and all of such Sellers' rights in and to the call letters "KHQA" and "WHOI";

2.1.2. all land and other interests of every kind and description in real property, including buildings, Towers, structures, easements, rights of way, appurtenances on or to real property and fixtures and improvements thereon owned by either Seller as of the date hereof and used, useable or held for use in connection with the business or operation of either of the Stations, including those shown on Schedule 7.9 annexed hereto, and any additions, improvements, replacements and alterations thereto made between the date hereof and the Closing Date (collectively, the "Owned Real Property") and all of Sellers' leasehold or license interest in all real property leased, subleased, or licensed by any Seller that is used, useable or held for use in connection with the business or operation of either of the Stations and including those shown on Schedule 7.9 annexed hereto, and any additions, improvements, replacements and alterations thereto made between the date hereof and the Closing Date (collectively, the "Leased Real Property," and together with the Owned Real Property, the "Real Property");

2.1.3. all (i) equipment, cameras, transmitters, antennae, transmitting equipment of any kind, office furniture and fixtures, office materials and supplies, tools, inventory, spare parts, and other tangible personal property of every kind and description, owned by either Seller and used, useable or held for use in connection with the business or operation of the Stations or located on or at the Real Property, including the property listed on Schedule 7.10 annexed hereto, together with any replacements thereof and additions thereto made between the date hereof and the Closing Date, and (ii) personal property owned by a third party which is leased or otherwise used either by Seller in connection with the business or operation of either Station or located on or at the Real Property, including, leases or other agreements relating to the use or operation of any machinery, equipment, motor vehicles, office furniture or fixtures owned by any third party (collectively, the "Tangible Personal Property"), and less any retirements or dispositions thereof made between the date hereof and the Closing Date which are permitted by and in accordance with this Agreement;

2.1.4. (subject to Section 9.2 hereof) all leases, contracts, licenses, purchase orders, sales orders, commitments and other agreements relating to the business or operation of either Station to which either Seller is a party or in which either Seller has rights, listed on Schedule 7.8 annexed hereto, including the affiliation agreement with American Broadcasting Companies, Inc. ("ABC") with respect to WHOI and the affiliation agreement with CBS Television Network ("CBS") with respect to KHQA, or not required by Section 7.8 hereof to be set forth on Schedule 7.8, and those leases, contracts,

licenses, purchase orders, sales orders, commitments and other agreements relating to the business or operation of either Station entered into by either Seller between the date hereof and the Closing Date pursuant to the terms and subject to the conditions of this Agreement (including Section 9), except for those that expire by their terms or are cancelled between the date hereof and the Closing Date (pursuant to the terms and subject to the conditions of this Agreement);

2.1.5. all orders and agreements now existing, or entered into in the ordinary course of business between the date hereof and the Closing Date (pursuant to the terms and subject to the conditions of this Agreement (including Section 9.2 hereof), for the sale of advertising time on the Stations except those which on the Closing Date have already been filled or cancelled or have expired;

2.1.6. all programs and programming materials and elements of whatever form or nature as of the date hereof and used, useable or held for use in connection with the operation of the Stations, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law and statutory Copyrights owned by or licensed to either Seller and used, useable or held for use in connection with the operation of the Stations, together with all such programs, materials, elements and Copyrights acquired by either Seller in connection with the business and operations of the Stations between the date hereof and the Closing Date, except those that expire or are cancelled between the date hereof and the Closing Date;

2.1.7. all rights of either Seller in and to Proprietary Rights and all licenses and other agreements relating thereto and used or useable in connection with the business or operation of either Station, including those listed on Schedule 7.11 annexed hereto;

2.1.8. all causes of action, actions, judgments, claims, demands, suits, proceedings, arbitral actions, choses in action, rights of recovery, rights of set off, rights of recoupment and other rights of either Seller of every kind or nature to the extent the same relate to the business or operation of either Station except to the extent that such causes of action, actions, judgments, claims, demands, suits, proceedings, arbitral actions, choses in action, rights of recovery, rights of set off, rights of recoupment and other rights of either Seller relate to the Excluded Assets or the Excluded Liabilities (including the Excluded Contracts);

2.1.9. all rights of either Seller relating to or arising out of or under express or implied warranties from suppliers with respect to the tangible property included in the Assets;

2.1.10. all prepaid film and programming expenses and all barter receivables arising in connection with agreements ("Trade-out Agreements") for the sale of advertising time in exchange for goods or services, including film or programming, now existing or hereafter entered into in the ordinary course of business (it being expressly understood that the consideration to be delivered by Purchaser hereunder is adequate with respect to conveyance of the foregoing and that no additional consideration shall be necessary with respect to such transfer and conveyance of the foregoing and that no prorrations shall be applicable with respect to the foregoing except as provided in Section 4.3 hereof);

2.1.11. all books and records, including correspondence, employment records, production records, accounting records, property records, filings with the FCC, mailing lists, customer and vendor lists, FCC logs and related compliance records, sales and business records, books of account, files, invoices, inventory records, accounting records, technical information and engineering data, maintenance and operating records, advertising studies, advertiser lists, and advertising materials, marketing and demographic data, local public files, publications, customer lists, cost and pricing information, quality control records and manuals, blueprints, litigation and regulatory files, and other books, documents, records and files of or relating to the Assets, other than the Excluded Records;

provided, however, that such books and records shall be maintained in existence for a period of six years following the Closing Date and shall be made available for inspection and duplication by either Seller, at its expense, upon reasonable notice during normal business hours;

2.1.12. Sellers' prepayments, deposits, claims for refunds and prepaid expenses relating to the business or operations of either Station, the Assets or the Assumed Liabilities to the extent Sellers have received payment therefor from Purchaser pursuant to the terms and subject to the conditions of Section 4.3; and

2.1.13. those other assets, properties and rights described on Schedule 2.1 annexed hereto.

2.2. **Excluded Assets.** Anything contained in Section 2.1 above to the contrary notwithstanding, Sellers shall not transfer, convey or assign to Purchaser, and the Assets shall not include the following (the "Excluded Assets"):

2.2.1. the consideration delivered by Purchaser to either Seller pursuant to this Agreement and all other rights of either Seller under this Agreement, any agreement, certificate, instrument or other document executed and delivered by Sellers or Purchaser in connection with the transactions contemplated hereby, or any side agreement between either Seller and Purchaser entered into on or after the date of this Agreement;

2.2.2. cash or cash equivalents or money market instruments, including unprocessed checks, savings and checking accounts, and prepaid expenses, advances and deposits and other deposits, certificates of deposits, Treasury bills and other marketable securities of either Seller;

2.2.3. all of the outstanding accounts receivable and other rights to receive payment arising out of the conduct of the business of the Stations through 11:59 p.m. on the Closing Date;

2.2.4. Sellers' minute books and such other books and records (other than books and records specifically described in Section 2.1.11 hereof) as pertain to the organization, existence or ownership of Sellers (the "Excluded Records");

2.2.5. all Excluded Contracts (as defined in Section 3.3.6 below) and contracts, commitments and agreements of either Seller to the extent the same relate to Excluded Assets and not to the operation of the Stations and actions, claims, suits, proceedings, arbitral actions, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment of any kind or nature (including any such item relating to income taxes), in each case relating to the Excluded Assets or the Excluded Liabilities;

2.2.6. assets sold or disposed of by either Seller after the date hereof and on or prior to the Closing Date in accordance with Section 9.2 hereof;

2.2.7. any refunds of Federal, state, local or other taxes, including income, property or sales taxes, or other taxes of any kind or description, in each case which relate to periods prior to and including the Closing Date;

2.2.8. refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Stations following the Closing;

2.2.9. all of the assets of the Employee Benefit Plans listed on Schedule 3.3.7 annexed hereto, except as otherwise provided in Section 10.6 hereof;

2.2.10. all claims for Copyright royalties for broadcasts by either Station prior to the Closing Date;

2.2.11. any rights of either Seller under any Insurance Policies owned by CBC or either Seller; and

2.2.12. those other assets, properties and rights listed on Schedule 2.2 annexed hereto.

2.3. **Transfer of Assets.** The transfer of the Assets as herein contemplated shall be made by each Seller, as applicable, free and clear of all Liens other than Permitted Liens. The transfer of the Assets shall be effected by delivery by each Seller, as applicable, of such endorsements, assignments, drafts, checks, deeds, affidavits of title and other instruments of transfer, conveyance and assignment, including customary deeds with respect to real property to be conveyed hereunder, as shall be necessary or appropriate to transfer, convey and assign the Assets to Purchaser on the Closing Date as contemplated by this Agreement and as shall be reasonably requested by Purchaser. The conveyancing documents with respect to Owned Real Property shall be special warranty deeds in recordable form and reasonably satisfactory to Purchaser and such deeds shall be subject to any Permitted Liens although such Permitted Liens may not be set forth in the deeds themselves. Each Seller, as applicable, shall, at any time and from time to time after the Closing Date, but at no cost to either Seller, execute and deliver such other instruments of transfer and conveyance and do all such further acts and things as may be reasonably requested by Purchaser to transfer, convey, assign and deliver to Purchaser or to aid and assist Purchaser in collecting and reducing to possession, any and all of the Assets, or to vest in Purchaser good, valid and marketable title to the Assets.

2.4. **Accounts Receivable and Accounts Payable.** On or as soon as practicable after the Closing Date, Sellers will deliver to Purchaser a statement setting forth the estimated outstanding accounts receivable of each Seller as of the Closing Date (the "Receivables") and the outstanding cash accounts payable, including unpaid commissions due to employees and national sales representatives of each Seller as of the Closing Date arising out of the operation of the Stations (the "Payables"). On the Closing Date, each Seller will assign to Purchaser for purposes of collection on behalf of such Seller all of the Receivables. Subject to the terms and provisions in this Section 2.4, Purchaser will collect the Receivables in the same manner and with the same diligence that Purchaser uses to collect its own accounts receivable for a period of 120 days following the Closing Date (the "Collection Period"). All amounts received by Purchaser after the Closing from an account debtor will be applied first to the Receivables of such account debtor in the order of their origination, unless the account debtor designates a specific invoice for payment or disputes such Receivable in writing. The calculation of net Receivables shall be net of commissions due to employees, national sales representatives and advertising agency sales representatives (unless already paid), and Purchaser shall promptly pay such commissions to the appropriate party to the extent offset by the amount of Receivables actually collected. During the Collection Period, Purchaser will use the net Receivables collected to pay, as Sellers' agent, the Payables in a timely manner. Purchaser will not be obligated to, and without the prior written consent of such Seller will not, institute litigation, employ any collection agency, legal counsel, or other third party, or take any other extraordinary means of collections or pay any expenses to third parties to collect the Receivables. Within 15 days after the end of each month during the Collection Period, Purchaser will deliver to each Seller a written report with respect to (i) the collections made with respect to the Receivables for such Station, (ii) the calculation of net Receivables for such Station, and (iii) payments remitted with respect to the Payables for such Station together with a copy of the invoices therefor. Such

report shall be accompanied by a payment to such Seller of the amount by which the collected net Receivables during such month exceeded the amount of the net Payables during such month. Within ten days after the end of the Collection Period, Purchaser shall deliver to each Seller a final written report and remit final payment to such Seller the amount by which the net Receivables for such Station collected during the Collection Period exceeds the amount paid in respect of the Payables for such Station during the Collection Period, net of any amounts paid to such Seller on an interim basis. The final report shall contain (i) a statement of accounts for each account prepared in the manner in which such Station has heretofore prepared such report, (ii) copies of all open Receivables invoices for such Station, (iii) copies of all invoices for Payables received by each Station after the Closing Date for periods ending on or before the Closing Date and (iv) a Receivables aging report for each Station. If the amount paid in respect of the Payables for such Station exceeds the amount of the collected net Receivables for such Station, such Seller will pay to Purchaser such difference within 15 business days after the delivery to Sellers of the final report. On the 121st day after the Closing Date, Purchaser will reassign to each Seller any Receivables for such Station that remain uncollected (which shall not include any receivables deemed paid by the account debtor by reason of the application of payment in the manner required by this Section). If during the Collection Period a dispute arises with regard to an account included among the Receivables, Purchaser shall promptly advise such Seller thereof and may (or, if requested by such Seller, shall) return that account to such Seller. Purchaser shall not issue any credit or accommodation against any Receivable without the prior written consent of such Seller. Any amounts received by Purchaser after any Receivable has been reassigned to such Seller which can be specifically identified as a payment on account of such reassigned Receivable will be promptly paid over or forwarded to such Seller. All amounts due to Sellers or Purchaser under this Section 2.4 that are not paid in accordance with the provisions hereof shall bear interest until paid at a rate per annum equal to the lesser of (a) the generally prevailing prime interest rates (as reported by The Wall Street Journal), plus five percentage points (5%), or (b) the maximum amount permitted by applicable law. The parties acknowledge and agree that (i) Receivables collected by Purchaser for Sellers pursuant to this Section 2.4 shall not be subject to a right of offset for any claim by Purchaser against either Seller and (ii) if Purchaser takes any action in violation of such prohibition, Purchaser's right and obligation to collect Receivables shall immediately terminate, and Sellers shall have the right to collect all such Receivables in their sole and absolute discretion.

2.5. **Power of Attorney.** Effective upon the Closing Date, each Seller hereby irrevocably constitutes and appoints Purchaser, its successors and assigns, the true and lawful attorney of each Seller with full power of substitution, in the name of Purchaser, or the name of each Seller, on behalf of and for the benefit of each Seller, to collect the Receivables, to endorse, without recourse, checks, notes and other instruments in the name of each Seller, to pay the Payables and to do all such further acts and things in relation thereto as is contemplated by Section 2.4 hereof. Each Seller agrees that the foregoing powers are coupled with an interest and shall be irrevocable by such Seller except as provided in Section 2.4 hereof.

2.6. **Non-Assignable Assets.** Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall not constitute an agreement or an attempted agreement to transfer or assign any contract, license, lease, commitment, sales order, purchase order or other agreement that would otherwise constitute an Assumed Liability, or any claim or right of any benefit arising thereunder or resulting therefrom if any such attempted transfer or assignment thereof, without the consent of any other party thereto, would constitute a breach thereof or in any way adversely affect the rights of Purchaser thereunder (a "Non-Assignable Right"). Each Seller, as applicable, shall, between the date hereof and the Closing Date, use reasonable best efforts obtain the consent of any party or parties to any material Non-Assignable Right to the transfer or assignment thereof by such Seller, as applicable, to Purchaser hereunder in all cases in which such consent is required for transfer or assignment; provided, that such efforts shall not require the payment of any consideration by either Seller, as applicable, other than as



expressly provided for in this Agreement. If after such Seller, as applicable, has used reasonable best efforts to obtain the consent of any such other party to the transfer or assignment of any such material Non-Assignable Right, such consent shall not be obtained at or prior to the Closing, or an attempted assignment thereof at the Closing would be ineffective and would affect the rights of such Seller thereunder, such Seller will cooperate with Purchaser in any reasonable arrangement designed to provide for Purchaser substantially all of the benefits under any such material Non-Assignable, including the enforcement, at the cost and for the benefit of Purchaser, of any and all rights of such Seller, as applicable, against such other party thereto arising out of the breach or cancellation thereof by such other party or otherwise.

### 3. Assumption of Liabilities

3.1. Assumed Liabilities. Subject to the terms and conditions of this Agreement and the performance by the parties hereto of their respective obligations hereunder, on the Closing Date, simultaneously with the transfer, conveyance and assignment by each Seller, to Purchaser of the Assets, Purchaser shall assume or otherwise be liable for, subject to the limitations contained herein, the liabilities and obligations of each Seller (the "Assumed Liabilities") under:

3.1.1. the contracts, agreements and commitments pertaining to the Stations set forth on Schedule 7.8 annexed hereto, other than Excluded Contracts, to the extent the liabilities and obligations thereunder arise after the Closing Date;

3.1.2. contracts, agreements and commitments pertaining to the Stations in existence on the date hereof and not required by Section 7.8 hereof to be set forth on Schedule 7.8 annexed hereto, other than Excluded Contracts, to the extent the liabilities and obligations thereunder arise after the Closing Date;

3.1.3. contracts, agreements and commitments pertaining to the Stations with customers and advertising agencies accepted in the ordinary course of business for the sale of advertising time (whether for cash or barter) to the extent the liabilities and obligations thereunder arise after the Closing Date;

3.1.4. contracts, agreements and commitments pertaining to the Stations of the type set forth in Sections 3.1.1, 3.1.2, or 3.1.3, to the extent the liabilities and obligations thereunder arise after the Closing Date, to which either Seller becomes a party in the ordinary course of business subsequent to the date hereof and on or prior to the Closing Date, which (i) are not fully performed or discharged on or prior to the Closing Date, (ii) are permitted to be entered into by either Seller under the terms and conditions of this Agreement (including Section 9.2 hereof) and (iii) are assigned and transferred to Purchaser as contemplated herein;

3.1.5. all accrued liabilities of the Sellers as of the Closing Date with respect to employee vacation for Transferred Employees; and

3.1.6. liabilities of Sellers which are to be assumed by Purchaser under Section 10.6 hereof.

3.2. Instruments of Assumption for the Assumed Liabilities. The assumption by Purchaser of the Assumed Liabilities shall be effected by such instruments of assumption delivered to each Seller, as applicable, on the Closing Date as shall be reasonably satisfactory to Purchaser and Sellers. Purchaser shall, at any time and from time to time after the Closing Date, execute and deliver such other instruments of assumption and do all such further acts and things as may be reasonably

requested by either Seller, as applicable, to implement the assumption of each such liability and obligation. Assumption by Purchaser of the Assumed Liabilities shall in no way expand the rights or remedies of third parties against Purchaser as compared to the rights and remedies which such parties would have had against either Seller, as applicable, had this Agreement not been consummated.

3.3. **Excluded Liabilities.** Purchaser shall not be the successor to either Seller, and Purchaser does not assume and shall not be liable to pay, perform, discharge or otherwise be liable for any liabilities, commitments or obligations of either Seller other than the Assumed Liabilities. All obligations, liabilities or commitments of the Sellers other than the Assumed Liabilities are referred to herein as the “Excluded Liabilities”, and, without limiting the foregoing, any of the following liabilities or obligations of either Seller shall be deemed to be Excluded Liabilities, whether accrued or fixed, absolute or contingent, known or unknown, determined or determinable and unless otherwise expressly provided herein, whenever arising:

3.3.1. liabilities or obligations of either Seller to any of its members or to any Person affiliated therewith;

3.3.2. any indebtedness for borrowed money;

3.3.3. liabilities or obligations of either Seller incurred with respect to its entry into this Agreement or its consummation of any of the transactions contemplated hereunder (including Sellers’ legal and accounting fees);

3.3.4. liabilities or obligations for Federal, state, local or other taxes based on income and those taxes allocated to Sellers pursuant to this Agreement;

3.3.5. any litigation, proceeding, or claim by any Person relating to or arising out of the business or operation of the Stations on or prior to the Closing Date, including any litigation, proceeding or claim listed on Schedule 7.13 annexed hereto;

3.3.6. all liabilities, commitments and obligations relating to or arising out of the Excluded Assets;

3.3.7. (subject to Section 3.1.5 and 10.6 of this Agreement) any accrued liabilities with respect to any employee of Seller or CBC or other employee relating to the Stations, including accrued compensation and COBRA obligations incurred through the Closing Date and any liability or obligation arising under the Employee Plans set forth on Schedule 3.3.7;

3.3.8. the Payables; and

3.3.9. liabilities or obligations arising under or with respect to the contracts, agreements and commitments listed on Schedule 3.3 hereof (the “Excluded Contracts”).

#### 4. **Purchase Price; Escrow Deposit; Proration Adjustments and Allocation.**

4.1. **Purchase Price.** The purchase price (the “Purchase Price”) for the Assets shall be Twenty Three Million Five Hundred Thousand Dollars (\$23,500,000). The Purchase Price less any amount transferred by the Escrow Agent to Sellers pursuant to Section 4.2 hereof and any adjustment pursuant to Section 9.3 hereof, shall be payable at the Closing by wire transfer of immediately available funds to the accounts designated on Schedule 4.1 annexed hereto.

4.2. **Escrow Deposit.** Upon the execution and delivery of this Agreement, Purchaser shall have deposited with the Escrow Agent the sum of One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Deposit"), which amount shall be held and disbursed by the Escrow Agent pursuant to the terms of the Escrow Agreement in the form of Exhibit A annexed hereto. Purchaser shall be entitled to receive all interest earned with respect to the Deposit prior to the date of payment of the Deposit (except as otherwise provided in Section 12 hereof) and if Purchaser so instructs, Purchaser and Sellers shall instruct the Escrow Agent to pay any such interest accumulated on the Closing Date to Sellers to be credited toward the Purchase Price. At the Closing, contemporaneously with the performance by Sellers and Purchaser of their respective obligations to be performed at the Closing, Purchaser and Sellers shall instruct the Escrow Agent to pay the Deposit to Sellers in immediately available funds. In the event the transactions contemplated by this Agreement are not consummated in accordance with the terms hereof, Purchaser and Sellers shall instruct the Escrow Agent to disburse the Deposit and all interest earned thereon in accordance with Section 12 hereof.

4.3. **Proration Adjustments.**

4.3.1. All income, costs and expenses arising from the operation of the Stations for periods covering both before and after the Closing shall be prorated as of 11:59 p.m. Central time, on the Closing Date. Such prorations shall include all accrued compensation ad valorem, real estate and other property taxes (which shall be allocated in accordance with the fiscal year of the applicable taxing authority), business and license and other Permit fees, lease payments, rents, wages and salaries of employees, workers' compensation premiums, utility expenses, water and sewer use charges, unbilled time sales agreements, prepaid fees, bonuses, commissions and expenses to the extent Purchaser has received a benefit thereof, and all other income and expenses attributable to the operation of the Stations, and any matter set forth on Schedule 4.3. The prorations shall not include: (a) sick leave, (b) taxes by reason of the transfer of the Assets, which shall be paid in accordance with Section 18.7 and (c) taxes based on income of Sellers. Sellers and Purchaser acknowledge and agree, however, that the consideration for the Assets includes payment for the contracts and commitments of Sellers relating to motion pictures and other programming and for barter receivables arising in connection with Trade-out Agreements and that no further payment shall be due in respect thereof. Notwithstanding the foregoing, Sellers shall be responsible for any cash payments due on or before the Closing Date under contracts and commitments for motion pictures and other programming, and Purchaser shall be responsible for any such payments after the Closing Date (including reimbursement to Sellers on a pro rata basis for any prepayments made by either Seller of amounts due in respect of the month in which the Closing occurs). Prorations under this Section 4.3 to the extent possible shall be determined and paid on the Closing Date, with final settlement thereof to occur, to the extent possible within 30 days after the Closing Date in accordance with this Section 4.3.

4.3.2. As promptly as practicable, but in any event within 30 days after the Closing, Sellers shall cause to be prepared and delivered to Purchaser a schedule of their proposed prorations (which shall set forth in reasonable detail the basis for those determinations) (the "Final Prorations Schedule"). The Final Prorations Schedule shall be conclusive and binding on Purchaser, and Sellers shall pay to Purchaser, or Purchaser shall pay to Sellers, as the case may be, any amount due as a result of such adjustment, unless Purchaser provides Sellers with written notice of objection (the "Notice of Disagreement") within 30 calendar days after Purchaser's receipt of the Final Prorations Schedule, which notice shall state the prorations of expenses proposed by Purchaser (the "Purchaser's Proration Amount") and be accompanied by payment of any amount shown thereon to be due to Sellers. Sellers shall have 30 calendar days from receipt of a Notice of Disagreement to accept or reject Purchaser's Proration Amount. Final payment pursuant to this Section 4.3.2 shall be due within five business days after the last to occur of (i) Purchaser's failure to reject the Final Prorations Schedule within 30 calendar days after Purchaser's receipt of the Final Prorations Schedule or (ii) Sellers' failure to reject the

Purchaser's Prorations Amount within 30 calendar days after Sellers' receipt of the Notice of Disagreement.

4.3.3. In the event of any disputes between the parties as to the prorations and adjustments described in Section 4.3, the amounts not in dispute shall nonetheless be promptly paid and such disputes shall be determined by an independent certified public accountant of national recognition that does not then have a relationship with either Seller or Purchaser, or any of their respective Affiliates, mutually acceptable to Sellers and Purchaser, with the fees and expenses of such accountant being shared equally by Sellers, on the one hand, and Purchaser, on the other.

4.3.4. Any payment required by Sellers to Purchaser or Purchaser to Sellers, as the case may be, under this Section 4.3 shall be paid by wire transfer of immediately available funds to an account designated by such party. If Sellers or Purchaser fail to pay when due any amount under Section 4.3, interest on such amount will accrue from the date payment was due to the date such payment is made at a rate per annum equal to the lesser of (i) the generally prevailing prime interest rates (as reported by The Wall Street Journal), plus five percentage points (5%), or (ii) the maximum amount permitted by applicable law, and such interest shall be payable upon demand. Notwithstanding the provisions of this Section 4.3, if the amount of any taxes to be prorated pursuant to this Section 4.3 is not known by the time of determination of prorations hereunder, then the amount will be estimated as of such date, and once the amount of such taxes is known, Sellers shall pay to Purchaser, or Purchaser shall pay to Sellers, as the case may be, the net amount due as a result of the actual apportionment of such taxes.

4.4. **Allocation.** As promptly as practicable, but in any event, within 30 calendar days of the date hereof, Purchaser shall cause to be prepared and deliver to Sellers a schedule of its proposed allocation (the "Allocation Schedule") for tax purposes of the Purchase Price among the Assets acquired by Purchaser. The Allocation Schedule shall be conclusive and binding on Sellers and Purchaser, unless Sellers provide Purchaser with a notice of objection (the "Objection Notice") within 30 calendar days after Sellers' receipt of the Allocation Schedule, which notice shall state the allocation proposed by Sellers (the "Sellers' Allocation Schedule"). Purchaser shall have 15 calendar days from receipt of the Objection Notice to accept or reject the Sellers' Allocation Schedule. The Sellers' Allocation Schedule shall be conclusive and binding on Sellers and Purchaser unless Purchaser provides Sellers with notice of objection within 15 calendar days after receipt of the Sellers' Allocation Schedule. In the event that the parties are unable to agree on an allocation after good faith negotiations, then the parties agree to be bound by an appraisal of such assets by an independent nationally recognized firm of valuation experts mutually acceptable to Sellers and Purchaser. The cost of such appraisal shall be borne equally by Sellers, on the one hand, and Purchaser, on the other. Such appraisal shall be conclusive and binding for the purposes of this Section on Sellers and Purchaser. Purchaser and Sellers (i) shall execute and file all tax returns and prepare all financial statements, returns and other instruments in a manner consistent with the Allocation Schedule, (ii) shall not take any position before any governmental authority or in any judicial proceeding that is inconsistent with such allocation and (iii) shall cooperate with each other in a timely filing, consistent with such allocation, of Form 8594 with the Internal Revenue Service (the "IRS").

5. **Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 10:00 a.m. local time within five business days following the later of: (i) the date of public notice of the required FCC Consents (or if such date is a Saturday, Sunday, or Federal holiday, on the next business day thereafter) unless a petition to deny or other objection has been timely filed with respect to the FCC Application, in which event, at Purchaser's sole option, the Closing shall take place at 10:00 a.m. local time on the date within five days following the date on which the FCC Consent shall have become a Final Order and (ii) the date on which all other conditions to the obligations of Purchaser and Sellers hereunder shall have been satisfied or waived in writing. The Closing shall take place at the offices of Wachtel & Masyr, LLP, 110 East 59th Street, New York, New York, 10022, or at such other

place as may be agreed to by Purchaser and Sellers. The date of the Closing is hereinafter referred to as the "Closing Date." For accounting and tax purposes, the transactions contemplated by this Agreement shall be effective as of 11:59 p.m. local time, Central time, on the Closing Date.

6. **Governmental Consents.**

6.1. **FCC Consents.** The assignment of the Station Licenses to Purchaser as contemplated by this Agreement is subject to prior FCC Consents.

6.1.1. Promptly after the execution of this Agreement, Purchaser and Sellers shall proceed to prepare for filing with the FCC appropriate applications for consent to the assignment of the Station Licenses to Purchaser or, as Purchaser may designate at its election, any Affiliate of Purchaser that is, directly or indirectly, wholly owned by Purchaser (the "Assignment Applications"), which shall be filed with the FCC as soon as practicable but in no event later than five business days after the date hereof. The Assignment Applications shall include such information relating to the Stations as is necessary in order to effect the timely closing of the transactions contemplated by this Agreement. In addition, each party hereto covenants and agrees to (i) prepare, file and prosecute any alternative application, petition, motion, request or other filing (including any motion for leave to withdraw or dismiss any Assignment Application filed by the parties with the FCC in connection with the transactions contemplated hereby) (the "Additional Applications"); (ii) file any amendment or modification to the Assignment Applications or the Additional Applications; (iii) otherwise take any other action with respect to the FCC as may be reasonably necessary in connection with the transactions contemplated hereby; and (iv) cooperate in good faith with the other parties hereto with respect to the foregoing, all as may reasonably be determined by Purchaser and Sellers hereto to be necessary, appropriate or advisable in order to consummate the transactions contemplated by this Agreement, provided, however, any such Additional Applications shall in no event delay the Closing beyond the date on which the Closing would occur but for such Additional Applications. The parties shall prosecute the FCC Applications and, as applicable, the Additional Applications (together with the Assignment Applications, the "FCC Applications") with all reasonable diligence and otherwise use their reasonable best efforts to obtain the grant of such applications as expeditiously as practicable (but no party shall have any obligation to take any unreasonable steps to satisfy complainants, if any). If any FCC Consent imposes any conditions on any party hereto, such party shall use its reasonable best efforts to comply with such condition unless compliance would have a material adverse effect upon it, its parent entity, or any of its or its parent entity's subsidiaries or Affiliates, as appropriate. Purchaser, on the one hand, and Sellers, on the other, shall each pay 50% of all filing fees payable with respect to all filings required by the FCC in connection with the transactions contemplated by this Agreement and made pursuant to this Section 6.1.1.

6.1.2. The transfer of the Assets hereunder is expressly conditioned upon the grant of the FCC Consents and compliance by the parties hereto with the conditions (if any) imposed in such consents.

6.2. **Other Governmental Consents.** Promptly following the execution of this Agreement, the parties will proceed to prepare and file with the appropriate governmental authorities any other requests for approval or waiver that are required from governmental authorities in connection with the transactions contemplated hereby, and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

7. **Representations and Warranties of Sellers.** Prior to the execution hereof, Sellers have delivered to Purchaser a set of schedules, a copy of which is annexed hereto, setting forth for the Stations among other things, items the disclosure of which is necessary either (i) in response to an express

informational requirement contained in or requested by a provision hereof or (ii) as an exception to one or more representations or warranties contained in Section 7; provided, that the listing of an item in one section of the schedules shall be deemed to be a listing in the other sections of the schedules to the extent that such information is reasonably determinable to be so applicable to such other section or sections of the schedules. Except as provided in the schedules, Sellers and CBC hereby, jointly and severally, make the following representations and warranties to Purchaser, provided, however, neither Sellers nor CBC make any representation or warranty as to any action, event or occurrence that was caused by Barrington or that arose from any act of Barrington in breach by Barrington of the express terms of its obligations under the Management Agreement:

7.1. **Organization and Standing.** Each Seller and CBC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and each Seller has all requisite power and authority to own, lease, use and operate its properties and assets at and carry on its business in the places where such properties and assets are now owned, leased or operated or where such business is now conducted. CBQ is duly qualified to do business and is in good standing in the States of Illinois, Missouri, and Iowa and all other jurisdictions in which the nature of its business requires qualification. CBP is duly qualified to do business and is in good standing in the State of Illinois and all other jurisdictions in which the nature of its business requires qualification. Each Seller is a direct and wholly-owned subsidiary of CBC, and CBC is the sole member of each Seller.

7.2. **Power and Authority.** Each Seller and CBC has all requisite power and authority to enter into this Agreement and the documents and instruments contemplated hereby and to assume and perform its obligations hereunder. The execution and delivery of this Agreement and the documents and instruments contemplated hereby or delivered in connection herewith and the performance by each Seller and CBC of its obligations hereunder have been duly and validly authorized by all necessary action and no further action or approval is required in order to constitute this Agreement and the documents and instruments contemplated hereby as valid and binding obligations of each Seller and CBC, enforceable in accordance with their terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

7.3. **No Conflicts.** Except as set forth on Schedule 7.3 annexed hereto and except for any consent required for the assignment to Purchaser of any contract, lease, agreement or commitment included within the Assets, the execution and delivery by each Seller and CBC of this Agreement and the documents and instruments contemplated hereby, the consummation by each Seller and, as applicable, CBC, of the transactions contemplated hereby and the performance by each Seller and CBC of its obligations hereunder:

7.3.1. do not and will not conflict with or violate any provision of the Certificates of Formation or Operating Agreements of such Seller or CBC;

7.3.2. do not and will not conflict with or result in any breach of any condition or provision of, or constitute a default (whether after the giving of notice or lapse of time or both) under or give rise to any right of termination, cancellation or acceleration of or result in the creation or imposition of any Lien upon any of the Assets by reason of the terms of any material contract, mortgage, lease, agreement, indenture, instrument, judgment or decree to which either Seller is a party or which is or purports to be binding upon either Seller or which affects or purports to affect any of the Assets; and

7.4.4. Except as set forth on Schedule 7.4, all equipment relating to the broadcast operations of each Station, including analog and digital facilities (including all analog and digital equipment), antenna, transmitters and associated transmission equipment, lines and facilities, is (i) in good operating condition and adequate repair (ordinary wear and tear excepted) and (ii) operated and maintained in accordance with good engineering practices and in compliance, in all material respects, with all applicable laws, including the Communications Act and the Station Licenses.

7.4.5. Except as set forth on Schedule 7.4, each Station is operating at the effective radiated power authorized under the applicable Station Licenses or as otherwise permitted by the FCC.

7.4.6. To the knowledge of Sellers and CBC, neither Station causes or receives any material interference that is in violation of the Communications Act or any other applicable laws.

7.5. **Validity.** This Agreement constitutes, and the other documents and instruments contemplated hereby or delivered in connection herewith will, on the execution and delivery thereof, constitute the legal, valid and binding obligations of each Seller party thereto and, as applicable, CBC, enforceable against each of them in accordance with their respective terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

7.6. **Financial Statements.** Annexed hereto as Schedule 7.6 are the following financial statements of each Station (collectively, the "Financial Statements"): internal unaudited results of operations of such Station for the years ended December 31, 2001 and December 31, 2002 and for the nine months ended October 31, 2003. Except as set forth on Schedule 7.6, the Financial Statements are true, correct and complete in all material respects, are in accordance with GAAP and the books and records of the such Station and fairly, completely and accurately present the financial position and results of operations of such Seller for the periods covered. Each Seller is current in its obligations to make payments under the film and programming agreements listed on Schedule 7.8 annexed hereto.

7.7. **Taxes.** Each Seller has duly filed all material foreign, Federal, state, county and local income, excise, sales, property, withholding, social security, franchise, license, information returns and other tax returns and reports required to have been filed by such Seller, as applicable, to the date hereof pertaining to the business or operation of the Stations or the Assets and each Seller has paid all taxes due from such Seller, whether or not such tax is reflected in such tax return.

7.8. **Contracts.**

7.8.1. Except only those contracts, agreements or commitments listed and described on Schedule 7.8 annexed hereto (copies of which have been heretofore delivered to Purchaser or, with respect to oral agreements, written summaries of the terms of which have been heretofore delivered to Purchaser), the Excluded Contracts and contracts, agreements or commitments entered into in the ordinary course of business of the Stations and (i) involving less than \$50,000 over their term or (ii) involving more than \$50,000 over their term but not more than \$200,000 in the aggregate for all such contracts, agreements or commitments or (iii) involving sales of advertising time in accordance with the Stations' customary rate practices, neither Seller is a party to and does not have any contract, agreement or commitment of any kind or nature whatsoever, written or oral, formal or informal, with respect to the business and operation of the Stations. Except as set forth on Schedule 7.8, each of the written contracts and commitments referred to therein is valid and existing, in full force and effect, and enforceable in accordance with its terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and no party thereto is in default and no claim of default by any party has been made or is now pending, except for such defaults as would not, individually or in the aggregate, reasonably be expected, as of the date hereof, to have a Material Adverse Effect. Schedule 7.8 sets forth the contracts, agreements or commitments which may require a consent of a counterparty to such contract, agreement or commitment prior to the assignment of such contract, agreement or commitment under the terms of such contract, agreement or commitment.

7.8.2. KHQA is currently affiliated with CBS and WHOI is currently affiliated with ABC pursuant to the network affiliation contracts listed on Schedule 7.8. Said network affiliation contracts are in full force and effect and neither Seller is aware of any state of facts which would permit the termination for cause of such network affiliation contracts prior to the expiration of the term thereof.

7.8.3. Except as set forth in Schedule 7.8, neither Seller nor CBC has received any written notice that any party to any of the contracts, agreements or commitments intends to cancel or terminate any such contract, agreement or commitment.

7.9. **Real Property.**

7.9.1. Schedule 7.9 annexed hereto is a complete and correct list of all Owned Real Property and all Leased Real Property. Copies of the leases with respect to the Leased Real Property or, with respect to oral leases, written summaries of the terms (the "Leases") and the other documents referred to on Schedule 7.9 have been heretofore delivered to Purchaser.

7.9.2. Each Seller, as applicable, has all required material legal and valid occupancy permits and other licenses or government approvals for each of the Real Properties used or held for use in connection with the operation of the Station.

7.9.3. Each Seller, as applicable, has the legal right (without the consent or other approval of any other party) to possess and quietly enjoy the premises and properties under each of the Leases. Seller is the owner and holder of all of the leasehold interests and estates purported to be granted by such Leases or the interests granted by such Leases which are licenses. Except as set forth on Schedule 7.9, neither Seller has assigned any of their respective rights, title or interests in any of the Leases or granted any oral or written right to any Person other than Seller to lease, sublease, license or otherwise use or occupy any of the Leased Real Property through the end of the applicable periods of such lease, sublease, or license. Each written Lease is in full force and effect and constitutes a legal, valid and binding obligation of each Seller, as applicable, and there is not under any Lease any claim of default



by Seller or to Seller's knowledge any other Person or event which, with or without notice or the lapse of time or both, could reasonably be expected, individually or in the aggregate as of the date hereof, to have a Material Adverse Effect.

7.9.4. Except for Permitted Liens and as set forth on Schedule 7.9 annexed hereto, each Seller, as applicable, has good and marketable title to the Owned Real Property, insurable at standard rates, free and clear of all Liens and except as set forth on Schedule 7.9 annexed hereto, no party has the right to acquire or use such Owned Real Property or equipment located thereon. Except as set forth on Schedule 7.9 or Schedule 7.10, each Seller, as applicable, has good and marketable title and owns outright, free and clear of all Liens (other than Permitted Liens), each item of equipment located in or on each Real Property.

7.9.5. None of the Real Properties has been condemned or otherwise taken by any public authority, and no condemnation or taking is, to each Seller's and CBC's knowledge, threatened or contemplated.

7.9.6. The Seller is not in violation of any zoning, building or safety ordinance, regulation or requirement or other law or regulation applicable to the operation of its Real Property, except for violations which, individually or in the aggregate, would not have a Material Adverse Effect nor has either Seller received written notice of any violation with which it has not complied in all material respects.

7.9.7. To the best knowledge of Sellers, all Towers, buildings (including transmitter buildings) and other structures and improvements used by either Seller in connection with the operation of the Stations (collectively, "Transmission Structures") are included in the Assets (owned or leased, as the case maybe) and are located entirely on the Real Property. Subject to the terms of any Leases governing the terms of the Leased Real Property, (i) Seller has, and upon the Closing Purchaser shall acquire from Seller, full legal and practical access to Real Property and (ii) each parcel of Real Property is accessible without charge by a public right of way or is otherwise reasonably accessible for purposes of conducting the use of each such property, as currently conducted, including reasonable access between and among each transmitter building, the Tower corresponding thereto and, if applicable, to the best of Sellers' knowledge, each guy anchor supporting each Tower. All ingress and egress to, from, between and among the transmitter building, the Tower corresponding thereto and, if applicable, each guy anchor supporting each such Tower are located entirely on the Real Property. To the best of Sellers' knowledge, none of the owned Transmission Structures or the use thereof violates, in any material respect, any restrictive covenants or encroaches, in any material respect, on any property owned by any other Person, and to the best of Sellers' knowledge, all such owned Transmission Structures are constructed in conformity with all "set back" lines, easements and other restrictions or rights of record. All such owned Transmission Structures have been maintained in accordance with generally accepted standards in the broadcast industry.

7.9.8. No member of any Seller is a "foreign person" as defined in Section 1445 of the Code.

7.10. **Personal Property.** Schedule 7.10 annexed hereto is a true and complete list of (i) all Tangible Personal Property owned by either Seller (other than Excluded Assets) having a book value at the date hereof in excess of \$1,000 per item (other than items of personal property having a book value in excess of \$1,000 but not in excess of \$100,000 in the aggregate) and (ii) all Tangible Personal Property owned by a third party which is leased or otherwise used by either Seller (other than Excluded Assets), including leases or other agreements relating to the use or operation of any machinery, equipment, motor vehicles, office furniture or fixtures owned by any third party (copies of which leases or

other agreements have been heretofore delivered to Purchaser) but excluding leases not required to be set forth on Schedule 7.8. Each item of Tangible Personal Property is (x) in good working order, operating condition and repair, normal wear and tear excepted, for property of comparable type, use and usage, except for those items of Tangible Personal Property that are obsolete and no longer used by the Stations (and which obsolete items are not necessary to the operation of the Stations as currently conducted), (y) has been maintained in a manner consistent with generally accepted standards of good engineering practice and (z) is operating in compliance in all material respects with applicable Laws, including the Communications Act and the rules and regulations of the FAA. Except as set forth on Schedule 7.8, each such lease with respect to Tangible Personal Property is in full force and effect and constitutes a legal, valid and binding obligation of each Seller, as applicable, and there is not under any such lease any default or any claim of default or of an event which, with or without notice or the lapse of time or both, could reasonably be expected, individually or in the aggregate, as of the date hereof, to have a Material Adverse Effect. Each Seller, as applicable, has and immediately following the Closing Date, Purchaser will enjoy, peaceful and undisturbed possession under all leases and other third party agreements with respect to the Tangible Personal Property, except as would not, individually or in the aggregate, materially interfere with the such use or possession. Except for Permitted Liens and as set forth on Schedule 7.10, each Seller owns and has good title to the Tangible Personal Property and except for Permitted Liens and as set forth in on Schedule 7.10, all Tangible Personal Property owned by each Seller is owned by it, free and clear of all Liens.

7.11. **Intellectual Property.** Schedule 7.11 annexed hereto is a complete and correct list of all patents and patent applications and registered Trademarks and registered Copyrights owned by each Seller in the business or operation of either Station as of the date hereof. Each Seller, as applicable, owns or has a valid right to use all such Seller's Proprietary Rights. Each Seller's Proprietary Rights includes all the proprietary and intellectual property rights of any kind necessary to conduct the business and operation of either Station as presently conducted by each Seller, as applicable. Neither the operation of the Stations, in the manner presently conducted by Sellers, nor any Proprietary Right of either Seller infringes upon or conflicts with the rights of any other Person, except as would not, individually or in the aggregate, reasonably be expected, as of the date hereof to have a Material Adverse Effect. All Sellers Proprietary Rights which are issued by or registered with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or in any similar office or agency anywhere in the world are currently in compliance with formal legal requirements and are valid and enforceable. No current or former employee or consultant of either Seller owns any rights in or to any of the Proprietary Rights of either Seller.

7.12. **Insurance.** Schedule 7.12 annexed hereto is a complete and correct list (including name of insurer, type of coverage, policy number, amount of coverage and expiration date) of all insurance policies, including liability, casualty, burglary, theft, fidelity, errors and omissions, life, fire, product liability, workers' compensation, health and other forms of insurance of any kind held by each Seller in connection with the business or operation of either Station (the "Insurance Policies"); each Insurance Policy is (a) in full force and effect and (b) valid and binding.. Except as set forth on Schedule 7.12 hereto, each Seller and their Affiliates are the sole beneficiaries of each such Insurance Policy; no such Insurance Policy has been, and none of the future proceeds thereof have been, assigned to any other Person; to each Seller's or CBC's knowledge, there is no act or fact or failure to act which has or might cause any such Insurance Policy to be cancelled or terminated; and each such Insurance Policy is commercially reasonably adequate for the business or operation of either Station. No notice of cancellation or non-renewal with respect to, or disallowance of any material claim under, any Insurance Policies or binders of insurance which relate to the Assets or the Stations has been received by either Seller. All Insurance Policies are in the name of CBC or a Seller and all premiums with respect to such Insurance Policies are current.

in Section 7.18.1): Purchaser hereby unconditionally releases and discharges both Sellers from any and all Environmental Claims, whether sustained by Purchaser directly or relating to any claims by Purchaser for indemnification, contribution or otherwise with respect to Environmental Claims against Purchaser by third parties.

7.19. **Related Party Transactions.** No current or former partner, director or member of either Seller, CBC or any Affiliate thereof, or any relative with a relationship of not more remote than first cousin of any of the foregoing, is presently, or during the twelve month period ending on the date hereof has been, (i) a party to any transaction related to the Station with Seller, including any contract or agreement of any kind providing for the furnishing of services by, or rental of real or personal property from, or otherwise requiring payments to, any such partner, director, member of either Seller, CBC or any Affiliate thereof, or (ii) to the knowledge of Seller and CBC, the direct or indirect owner of a substantial interest in any Person which is a present competitor, supplier or customer of either Station, nor does any such competitor, supplier or customer of either Station receive income from any source other than Seller which is not properly accrued for as an expense of either Station.

7.20. **Assets.** The Assets of the Sellers constitute all of the assets necessary to operate each Station and conduct the Sellers' business as presently operated and conducted in all material respects. Each Seller has good and marketable title to all of the Assets owned by it, free and clear of all Liens (other than Permitted Liens and Liens required to be discharged at Closing).

8. **Representations and Warranties of Purchaser.** In order to induce Sellers to enter into this Agreement and to perform their obligations hereunder, Purchaser hereby makes the following representations and warranties to Sellers:

8.1. **Organization and Standing.** Purchaser is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Delaware and Purchaser has all requisite power and authority, to own, lease, use and operate its properties and assets at and carry on its business in the places where such properties and assets are now owned, leased, subleased or operated or where such business is now being conducted. Purchaser will be as of the Closing Date duly qualified to do business and will be as of the Closing Date in good standing in the States of Illinois, Missouri and Iowa.

8.2. **Power and Authority.** Purchaser has all requisite power and authority to enter into this Agreement and the documents and instruments contemplated hereby and to assume and perform its obligations hereunder. The execution and delivery of this Agreement and the documents and instruments contemplated hereby or delivered in connection herewith and the performance by Purchaser of its obligations hereunder have been duly and validly authorized by all necessary action and no further action or approval, is required in order to constitute this Agreement and the documents and instruments contemplated hereby as valid and binding obligations of Purchaser, enforceable in accordance with their terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

8.3. **No Conflicts.** The execution and delivery by Purchaser of this Agreement and the documents and instruments contemplated hereby, the consummation by Purchaser of the transactions contemplated hereby and the performance by Purchaser of its obligations hereunder:

8.3.1. do not and will not conflict with or violate any provision of the Certificate of Formation or the Operating Agreement of Purchaser;

8.3.2. do not and will not conflict with or violate any agreements, contracts or instruments to which Purchaser is a party except as would not, individually or in the aggregate, have, or could reasonably be expected to have, a material adverse effect with respect to Purchaser; and

8.3.3. subject to the receipt of any governmental approvals required in connection with the transfer of the Assets to Purchaser, including the grant of the FCC Applications, do not and will not conflict with or result in a violation of or default under (with or without notice or the lapse of time or both) under any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other restriction of any court, administrative agency or commission or other governmental authority or instrumentality applicable to Purchaser.

8.4. **Government Approval.** Subject to the grant of the FCC Applications, Purchaser is legally, financially and otherwise qualified under the Communications Act and has existing borrowing facilities or commitments therefor that together are sufficient to make Purchaser financially qualified to enter into this Agreement, and to consummate the transactions contemplated hereby. To Purchaser's knowledge, no fact or circumstances exist relating to the FCC qualifications of Purchaser that (i) could reasonably be expected to prevent or delay the FCC from granting the FCC Applications or (ii) would otherwise disqualify Purchaser as the licensee, owner, operator or transferee of each Station. In connection with the transactions contemplated by this Agreement, it is not necessary for Purchaser or an Affiliate of Purchaser (or any Person in which Purchaser or any Affiliate of Purchaser has an attributable interest under the Communications Act) to seek or obtain any waiver from the FCC, dispose of any interest in any media or communications property or interest (including either Station or any part thereof), terminate any venture or arrangement, or effectuate any changes or restructuring of its ownership, including the withdrawal or removal from officers or directors or the conversion or repurchase of equity securities of Purchaser or any Affiliate of Purchaser or owned by Purchaser or any Affiliate of Purchaser (or any Person in which Purchaser or any Affiliate of Purchaser has any attributable interest under the Communications Act). Purchaser is able to certify on an FCC Form 314 that it is financially qualified. Additionally, except as contemplated in Section 6 hereof, no action, approval, consent, authorization or other action, including any action, approval, consent, or authorization or other action, including by or filing with any governmental or quasi-governmental agency, commission, board, bureau or instrumentality, is necessary or required as to Purchaser for the due execution, delivery or performance by Purchaser of this Agreement or any document or instrument contemplated hereby except as where the failure to obtain such approval, consent, authorization or filing, would not, individually or in the aggregate, have, or could reasonably be expected to have, a material adverse effect with respect to Purchaser.

8.5. **Validity.** This Agreement constitutes, and the other documents and instruments contemplated hereby or delivered by Purchaser in connection herewith will, on the due execution and delivery thereof, constitute the legal, valid and binding obligations of Purchaser, enforceable in accordance with their respective terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

8.6. **Adequacy of Financing.** As of the Closing Date, Purchaser will have adequate funds on hand or available to pay the Purchase Price.

8.7. **Litigation.** No action, suit, claim, investigation, proceeding or controversy, whether legal or administrative or in mediation or arbitration, is pending or, to Purchaser's knowledge, threatened, at law or in equity or admiralty, before or by any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, if adversely determined, would affect Purchaser's ability to carry out this Agreement or the transactions contemplated hereby.

8.8. **Independent Investigation.**

8.8.1. Purchaser has conducted an independent investigation of the Stations and their business operations, assets, liabilities, results of operations, financial condition and prospects in making its determination as to the propriety of the transactions contemplated by this Agreement and in entering into this Agreement and the documents and instruments required hereby, has relied solely on the results of said investigation and on the representations and warranties of Sellers expressly contained in this Agreement and the instruments, certificates or Schedules furnished pursuant hereto.

8.8.2. As of the date hereof, Purchaser does not have knowledge of any matter that would constitute a breach of the representations and warranties of Sellers in Sections 7.4, 7.6, 7.8, 7.9, 7.10, 7.11, 7.12 and 7.14. For purposes of this Section 8.8.2, the knowledge of Purchaser shall be deemed to include any and all matters that are to the knowledge of Barrington.

9. **Covenants of Sellers.**

Sellers covenant as follows:

9.1. **Books and Records.** Between the date hereof and the Closing Date, each Seller shall give Purchaser and its authorized representatives full access, during regular business hours, to any and all of its premises, properties, contracts, books and records relating to the business or operation of either Station and will cause its employees to furnish to Purchaser and its authorized representatives any and all data and information pertaining to the business or operation of either Station as Purchaser or its authorized representatives shall from time to time reasonably request. The terms of Section 2 of the Letter of Intent are hereby incorporated herein by reference and shall continue in full force and effect from and after the Closing in accordance with the terms thereof, such that the information obtained by any party hereto, or its officers, employees, agents or representatives, during any investigation conducted pursuant to this Section 9.1, in connection with the negotiation, execution and performance of this Agreement, the consummation of the transactions contemplated hereby, or otherwise, shall be governed by the terms set forth in Section 2 of the Letter of Intent.

9.2. **Interim Operations.** From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 13, except as otherwise consented to or approved in writing by Purchaser (which consent shall not be unreasonably conditioned, withheld or delayed) or as required by this Agreement, neither Seller shall:

9.2.1. sell, assign, lease, transfer or otherwise dispose of any of the Assets (including by any sublease or license that is substantially equivalent to a sale or disposition) except, in the case of obsolete Assets, where the Asset is replaced with an asset of similar utility or value;

9.2.2. mortgage, pledge or grant any Lien (other than Permitted Liens) on any of the Assets;

9.2.3. effect any change in the accounting practices, procedures or methods of the Stations; or

9.2.4. willfully violate or breach the terms of, or terminate, modify or amend, in any material respect adverse to Purchaser, any of the contracts set forth on Schedule 7.8;

9.2.5. hire any new employee, consultant or independent contractor other than in the ordinary course of business, terminate any officer, department head, or other key employee of any Station, materially increase the annual level of compensation of any department head or other key employee, establish or adopt any employee benefit plan, or grant any unusual or extraordinary bonuses, benefits or other forms of direct or indirect compensation to any employee, officer, director or consultant, other than annual performance-based increases substantially consistent with the applicable Station's past practices and in the ordinary course of business;

9.2.6. make any severance payments to any employee, officer or director, except payments made pursuant to written agreements outstanding as of the date of this Agreement or required by law;

9.2.7. enter into any transaction other than in the ordinary course of business and consistent with past practices of the Stations to the extent that such transaction (or series of related transactions together in the aggregate) constitutes a liability equal to or less than Fifteen Thousand Dollars (\$15,000);

9.2.8. enter into any contract, agreement or commitment with an aggregate Station liability for such Station of more than Fifteen Thousand Dollars (\$15,000), unless cancelable without penalty prior to the Closing Date, or with respect to contracts, agreements or commitments for the sale of advertising time, which are not in the ordinary course, at substantially current rate card rates, and which can be cancelled on no greater than thirty days' written notice;

9.2.9. apply to the FCC for any FCC license, construction permit or other authorization or any modification thereto, other than special temporary authorities, that would materially restrict the Stations' present operations or make any material adverse change in the buildings, leasehold improvements or fixtures owned by a Seller, including any Transmission Structure, except for renewal of those special temporary authorizations in effect as of the date hereof and such other filings and actions as contemplated by Section 9.8 hereof;

9.2.10. notwithstanding anything to the contrary in this Section 9.2, enter into any arrangement or contract with any member of either Seller, CBC or any Affiliate thereof, or any of such Person's parents, spouse, descendants (whether natural, step or adopted) or other family member in respect of the business or operation of either Station or the Assets;

9.2.11. make any capital expenditure or commitment or addition to property, plant or equipment of Sellers, individually or in the aggregate, other than pursuant to the Capital Expenditure Budget;

9.2.12. amend, modify, or terminate any material term of any material Assumed Liability; or

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

9.3. **Capital Expenditure Budget.** From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 13, Sellers shall make the expenditures contemplated by the capital expenditure budget, which budget is attached to Schedule 9.3 annexed hereto (the "Capital Expenditure Budget"). In the event that upon the Closing at least 90% of the funds so budgeted for the applicable calendar quarter have not been expended by Sellers, the Purchase Price will be reduced by such short fall, prorated to reflect any partial calendar quarter.

9.4. **Discharge of Liens.** On or prior to the Closing Date, Sellers will cause all Liens with respect to the Assets (other than Permitted Liens) to be discharged.

9.5. **Maintenance of Insurance.** From the date hereof through and including the Closing Date, each Seller will maintain in full force and effect all Insurance Policies listed on Schedule 7.12 or renewals or replacements thereof.

9.6. **Compliance.** Each Seller shall use its reasonable best efforts to take or cause to be taken all action and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including to obtain all consents, approvals and authorizations of third parties and to make all filings with and give all notices to third parties which may be necessary or required in order to effectuate the transactions contemplated hereby.

9.7. **Payment of Taxes.** Each Seller shall be responsible for all of such Seller's Federal, state, county, local, income, property, sales, use, intangibles and other taxes attributable to the operation or ownership of such Station or the Assets for all periods prior to or on the Closing Date. Purchaser shall be responsible for all such taxes attributable to the operation or ownership of the Stations or the Assets for all periods following the Closing Date. Any taxes paid by any party pertaining to the operation of the Stations which relate to periods both before and after the Closing shall be prorated in accordance with Section 4.3 hereof. Each Seller shall file all Federal, state, county and local income and other tax returns and reports required to be filed by it pertaining to the operation of the such Station until the Closing Date and shall pay all taxes, interest and penalties shown on such returns or reports.

9.8. **FCC Compliance.** Each Seller will, and CBC shall cause each Seller to, comply in all material respects with (a) the Communications Act and all rules and regulations of the FCC pertaining to the operation of the Station applicable to it (b) the Stations Licenses and Permits and (c) and with all other applicable laws, rules, ordinances and regulations pertaining to the operation of the Station. Upon receipt of notice of violation of any of such laws, rules, ordinances and regulations, such Seller shall promptly notify Purchaser and use its reasonable best efforts to contest in good faith or to cure such violation on or prior to the Closing Date. Each Seller will file with the FCC, when due, all ownership reports, renewal applications, financial reports and other documents required to be filed by such Seller between the date hereof and the Closing Date, and all such reports, applications and documents will be true and correct in all material respects and will comply in all material respects with the Communications Act and the rules and regulations of the FCC. From the date hereof through and including the Closing Date, each Seller will take all actions reasonably necessary to preclude the suspension, revocation or adverse modification of such Seller's Station Licenses and any other Permits and will promptly execute any necessary applications for renewal of Station Licenses and take all actions reasonably necessary to renew, or otherwise continue in effect any special temporary authorizations in effect as of the date hereof or otherwise entered into (subject to the conditions of this Agreement) during the period between the date hereof and the Closing Date. Neither Seller will take any action, by commission or omission, which would cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any of said licenses, permits and authorizations, or fail to prosecute with due diligence any pending application to any governmental authority, or take any action within its control which would result in the Stations being in material non-compliance with the requirements of the

Communications Act or the rules and regulations of the FCC material. Upon request of Purchaser, each Seller shall consent, pursuant to 47 C.F.R. Section 73.3517, to the filing by, and in the name of Purchaser (or any permitted assignee of Purchaser) of an application requesting the authorization of the FCC to modify any Station License or authorization of or relating to either Station, provided that such authorization be contingent upon Closing and that such filing shall in no event delay the Closing beyond the date on which the Closing would occur but for such filing. All filing costs related to such filings shall be borne by Purchaser.

9.9. **FCC Consent.** Each Seller shall diligently prosecute the FCC Applications and use reasonable best efforts to obtain the FCC Consents as promptly and expeditiously as possible. Neither Seller shall intentionally take or omit to take any action that will cause the FCC to deny, delay or fail to approve the FCC Applications or cause the FCC Consents not to be granted.

9.10. **Title Work.** Sellers shall cooperate with Purchaser to enable Purchaser to obtain at its own expense within 30 days of the date of this Agreement: (A) a preliminary title report with respect to the Real Property, issued by a title insurance company acceptable to Purchaser (the "Title Company"), which preliminary report shall contain a commitment (the "Title Commitment") of the Title Company to issue one or more (as appropriate) owner's title insurance policies on ALTA Policies (each, a "Title Policy") insuring the fee simple interest of Purchaser in the Real Property; and (B) copies of all documents, filings and information disclosed in the Title Commitment. The Title Commitment shall not be subject to any material Liens other than (i) Liens that will be released at Closing, or (ii) Permitted Liens. All standard exceptions which can be deleted by the use of owner's or seller's affidavits are to be deleted from the Title Commitment and Title Policies, and Sellers shall cooperate with Purchaser in executing and delivering such instruments to the Title Company, including the owner's or seller's affidavits contemplated hereby (collectively, the "Supporting Title Documents").

9.11. **Certain Other Affirmative Covenants.** From the date hereof until the Closing Date, except as otherwise consented to by Purchaser in writing, each Seller shall, and CBC shall cause each Seller to, use its reasonable best efforts to:

9.11.1. maintain and repair facilities and equipment related to Sellers' 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 its business consistent with past practices;

9.11.2. perform in all material respects all obligations under the Assumed Liabilities and any other documents relating to or affecting the Assets or otherwise the business or operation of either Station;

9.11.3. preserve intact all goodwill of or relating to the Stations or the Stations' business and use commercially reasonable efforts to preserve the Stations' existing relationship with its customers, vendors, suppliers, advertisers and employees;

9.11.4. maintain the Stations' books of accounts and records in the ordinary course and usual manner;

9.11.5. conduct the Stations' business and operations in the ordinary course of business consistent with past practices or as otherwise required by this Agreement; and



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

9.12. **Further Assurances.** Each Seller shall, at any time, and from time to time, after the Closing Date, but at no cost to such Seller (other than the salaries or wages of any such Seller's and CBC's employees), use its reasonable best efforts to: (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including executing and delivering any additional instruments, certificates or other documents and (ii) have the present and future officers, members and employees of such Seller cooperate with Purchaser in furnishing information, evidence, testimony and other assistance in connection with any tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Stations for all periods on or prior to the Closing Date.

#### 10. **Covenants of Purchaser.**

Purchaser covenants as follows:

10.1. **Compliance.** Purchaser shall use its reasonable best efforts to take or cause to be taken all action and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including to obtain all consents, approvals and authorizations of third parties to be obtained by Purchaser hereunder and to make all filings with and give all notices to third parties required to be made or given by Purchaser hereunder which may be necessary or required in order to effectuate the transactions contemplated hereby.

10.2. **Control of the Stations.** Prior to the Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise or direct, the operations of the Stations. Such operations, including complete control and supervision of all the Stations' programs, employees and policies, shall be the sole responsibility of each Seller, as applicable, until the consummation of the Closing hereunder.

10.3. **FCC Consents.** Purchaser shall diligently prosecute the FCC Applications and use reasonable best efforts to obtain the FCC Consents as promptly and expeditiously as possible. Purchaser shall not intentionally take or omit to take any action that will cause the FCC to deny, delay or fail to approve the FCC Applications or cause the FCC Consents not to be granted.

10.4. **FCC Compliance.** Between the date hereof and the Closing Date, Purchaser agrees that it will not take or fail to take any action within its control which would result in material noncompliance by Purchaser with the requirements of the Communications Act and the rules and regulations of the FCC material to the transactions contemplated by this Agreement. Purchaser will take no action that Purchaser knows, or has reason to know, would disqualify Purchaser from being the assignee of the Station Licenses or the owner or operator of the Stations.

10.5. **Books and Records.** If the acquisition contemplated herein is consummated, Purchaser covenants and agrees that it shall preserve and keep the records of Sellers delivered to it hereunder for a period of six years after the Closing Date and shall make such records available to Sellers and their authorized representatives as reasonably required by Sellers in connection with any legal proceedings against or governmental investigation of either Seller or in connection with any tax examination of either Seller.

10.6. **Employees and Employee Benefit Matters.** Purchaser shall offer employment as of the Closing Date to each employee (whether active or inactive) set forth in Schedule 7.16 hereto who remains employed by either Seller immediately prior to the Closing, provided that such offers to any employee who is not actively at work on the Closing Date shall not be effective until the date such employee is able to resume active employment. Subject to the foregoing, as of the Closing Date, Purchaser shall employ each employee who accepts Purchaser's offer of employment ("Transferred Employees") at a salary and on other terms and conditions that are at least as favorable in the aggregate to each such employee as those provided by Sellers immediately before the Closing; provided, however, that nothing herein shall confer or be construed to confer on any such employee any right to continue in the employment of Purchaser or interfere in any way with the right of Purchaser to terminate the employment of such Transferred Employee at any time, with or without cause; subject, however to the provisions of any employment agreement entered into or assumed by Purchaser. Purchaser shall provide each Transferred Employee credit for years of service prior to the Closing with such Seller or any prior owner of the Stations for (i) the purposes of eligibility and vesting (but not for benefit accrual) under Purchaser's health, vacation, severance, programs and policies as well as the Purchaser 401(k) Plan and (ii) any and all pre-existing condition limitations and eligibility waiting periods under group health plans of Purchaser, and shall cause to be credited to any deductible or out-of-pocket expenses (which are applicable in the plan year of Purchaser in which the Closing Date falls) under any health plans of Purchaser any deductibles or out-of-pocket expenses incurred by Transferred Employees and their beneficiaries and dependents under health plans of any Seller during the plan year of such Seller in which the Closing Date falls.

10.6.1. Purchaser shall not assume any Employee Plans set forth on Schedule 3.3.7 nor be obligated to pay, perform or discharge, any obligations or liabilities of Seller, Seller's Affiliates, or Sellers' ERISA Affiliates arising under such Employee Plans. As soon as practicable after the Closing Date, Transferred Employees shall be eligible to effect a "direct rollover" (as described in Section 401(a) (31) of the Code) of their account balances, under the Chelsey Broadcasting Group Retirement Savings Plan (the "Chelsey 401(k) Plan") to the Purchaser 401(k) Plan pursuant to the terms and conditions of the Purchaser 401(k) Plan. Purchaser represents and warrants that the Purchaser 401(k) Plan is qualified under Section 401(a) and 401(k) of the Code. Purchaser shall reasonably cooperate and shall cause its trustee and other service providers with respect to the Purchaser 401(k) Plan to cooperate to effectuate the foregoing.

10.6.2. Each Seller shall cause the administrator of the Chelsey 401(k) Plan, and Purchaser shall cause the administrator of the Purchaser 401(k) Plan, to timely make such filings and to provide such notices, if any, as are required under ERISA, the Code or any applicable laws with respect to the rollover of account balances described in Section 10.6.1.

10.6.3. On or prior to the Closing Date, Purchaser shall establish a plan for the benefit of the Transferred Employees which shall be intended to satisfy the requirements of Code Section 125 and which shall assume the liabilities attributable to the Transferred Employees (and shall provide for the crediting of Transferred Employees' accounts in such amounts) under each Sellers' employee benefit plans which are intended to satisfy the requirements of the Code Section 125 as of the Closing Date. Sellers shall not take any action to accelerate the rate of contributions by any Transferred Employee under any of the Sellers' employee benefit plans which are intended to satisfy the requirements of the Code Section 125 after the date hereof. Purchaser shall be entitled to retain any amount forfeited by a Transferred Employee at the end of the calendar year.

10.6.4. Any individual who is a Transferred Employee or former Transferred Employee of either Seller or their predecessors and who is covered, or who is eligible to elect to continue his or her coverage, as of the Closing Date, under any Employee Plan that constitutes a "group health

plan,” pursuant to the provision of Part 6 of Title I, Substitute B or ERISA or Section 4980B of the Code, shall be eligible to continue such coverage under an employee benefit plan of Purchaser that constitutes a “group health plan,” within the meaning of Section 5000(b)(1) of the Code, as of the Closing Date, pursuant to the provisions of Part 6 of Title I, Subtitle B of ERISA of Section 4980B of the Code and that meets all of the applicable requirements for provision of COBRA continuation coverage. Purchaser agrees to indemnify Sellers for all losses incurred by Sellers or Sellers’ group health plan resulting from any claim for COBRA continuation coverage made by or on behalf of a Transferred Employee or a spouse or other dependent of such an employee. Sellers shall pay to Purchaser any amounts received by such Seller or their Affiliates from any Transferred Employee for COBRA continuation coverage promptly upon receipt thereof. Purchaser shall be solely responsible for providing continuation of health care coverage in accordance with the provisions of Section 4980B of the Code and Sections 601 through 608 of ERISA with respect to any Transferred Employee who qualifies for such coverage after the Closing Date, and any qualified beneficiary of such Transferred Employee (as defined in Section 4980B(g)(1) of the Code). Purchaser shall be solely responsible for providing continuation of health care coverage in accordance with the provisions of Section 4980B of the Code and Sections 601 through 608 of ERISA with respect to any former employee, former Transferred Employee or Transferred Employee who qualifies for such coverage as of the date hereof, and any qualified beneficiary of such former employee, former Transferred Employee or Transferred Employee (as defined in Section 4980B(g)(1) of the Code).

10.6.5. After the Closing Date, the Purchaser shall be solely responsible for short-term disability benefits payable to Transferred Employees after the Closing Date.

#### 10.7. **Environmental Audit.**

10.7.1. Within 45 calendar days from the date hereof, Purchaser shall have the right, at its sole cost and expense, to engage a reputable environmental engineering firm (the “Consultant”) to conduct a Phase I Environmental Assessment, as such term is commonly understood (a “Phase I Environment Assessment”), with respect to the Real Property, provided such inspections and interviews shall be conducted only (i) during regular business hours upon reasonable notice to Sellers (ii) in a manner which will not unduly interfere with the operation of the Stations and/or the use of, access to or egress from the Real Property and (iii) without material damage to any property of Sellers. Sellers shall use commercially reasonable efforts to assist Purchaser and its employees, agents, and consultants in obtaining access to Real Property leased by Sellers for purposes of conducting a Phase I Environmental Assessment.

10.7.2. If the assessment conducted in connection with Section 10.7.1 above details a Recognized Environmental Condition (as such term is defined in the American Society of Testing and Materials Standard for Phase I Environmental Assessments) (a “Recognized Environmental Condition”) in connection with the Real Property, the Consultant reasonably recommends further investigatory action with respect to such Recognized Environmental Condition, and Purchaser delivers such assessment and recommendation to Sellers promptly, but in no event later than 10 business days after receipt by Purchaser of the Phase I Environmental Assessment, Purchaser shall have the right, until 60 calendar days from the date of the receipt of the Phase I Environmental Assessment (the “Phase II Time Period”) to conduct the investigation so recommended (the “Phase II Inspection”); provided, however, Sellers shall have the right to review and approve the work plan for any Phase II Inspection so proposed, such approval not to be unreasonably withheld, and provided further, such Phase II Inspection shall be conducted only (i) during regular business hours upon reasonable notice to Sellers; (ii) in a manner which will not unduly interfere with the operation of the Stations and/or the use of, access to or egress from the Real Property and (iii) without material damage to any property of Sellers. Any damage caused by Purchaser or its agents in the course of the Phase I Environmental Assessment or any Phase II Inspection shall be promptly repaired by Purchaser, at its sole cost and expense; provided that the Phase II

Time Period shall toll from that time when Sellers first receive a Phase II Inspection work plan until such time as Sellers have approved such Phase II Inspection work plan.

10.7.3. If applicable, the Consultant shall estimate the cost and expense of clean up, removal, remedial, corrective or responsive action necessary to address such Recognized Environmental Condition (the "Environmental Work"), which estimate shall set forth in reasonable detail the basis for those estimates; provided, however, the Environmental Work shall be designed to meet the least stringent standards or requirements so as not to be a violation under applicable Environmental Law (taking into account the zoning of the applicable Real Property and the current uses of resources thereon).

10.7.4. The parties understand and agree that the procedures outlined in this Section 10.7 shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures.

10.8. **WARN Act.** Purchaser and Sellers agree to cooperate in good faith to determine whether any notification may be required under the WARN Act, as a result of the transactions contemplated under the Agreement and, if such notices are required, to provide such notice in a manner that is reasonably satisfactory to each of the parties hereto.

10.9. **Frustration of Closing Conditions.** With respect to the conditions to its obligations to consummate the transactions contemplated by this Agreement as provided hereunder and its rights to terminate this Agreement as provided in Section 13, neither party may rely on the failure of any condition to closing set forth in this Agreement to be satisfied if such failure was caused by such party's failure to act in good faith or to use its commercially reasonable efforts to cause the Closing to occur to the extent required by the terms and conditions of this Agreement.

10.10. **Further Assurances.** Purchaser shall, at any time, and from time to time, after the Closing Date, but at no cost to Purchaser (other than the salaries or wages of any of its employees), use its reasonable best efforts to: (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including executing and delivering any additional instruments, certificates or other documents and (ii) have the present and future officers, directors, employees of Purchaser, including the Transferred Employees, cooperate with Sellers in furnishing information, evidence, testimony and other assistance in connection with any tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Stations for all periods on or prior to the Closing Date. In addition, and notwithstanding any other provision of this Agreement, after the Closing Date, Purchaser will, within five business days after receipt thereof, forward any checks received or pay over to Sellers any amounts collected with respect to any claims for cable copyright royalties with respect to the Stations adjudicated before the Copyright Arbitration Royalty Panel for all periods up to and including the Closing Date.

## **11. Conditions of Closing.**

11.1. **Obligation of Purchaser to Close.** The obligation of Purchaser to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions or the written waiver thereof by Purchaser:

11.1.1. **Representations.** Those certain representations and warranties of Sellers and CBC in this Agreement that are qualified by materiality or subject to thresholds shall be true and correct in all respects, and those certain other representations and warranties of Sellers and CBC that are neither qualified by materiality or subject to thresholds shall be true and correct in all material respects, when made and on and as of the Closing Date, as if made on and as of such Closing Date (other than any

representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such specified date only) except for changes permitted or contemplated by this Agreement and Purchaser shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of each Seller.

11.1.2. **Covenants**. Each of the agreements and covenants of Sellers to be performed under this Agreement at or prior to the Closing Date shall have been duly performed, and Purchaser shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of each Seller.

11.1.3. **Deliveries by the Sellers to the Purchaser**. At the Closing, each Seller shall have delivered, or shall cause to be delivered, to the Purchaser, all in form and substance reasonably satisfactory to the Purchaser: (i) a certified copy of such Seller's and CBC's Certificate of Formation; (ii) a certificate issued by the Secretary of State of the State of Delaware certifying that such Seller has legal existence and is in good standing; (iii) a certificate executed by the chief executive officer of such Seller certifying (A) the names of the officers of such Seller authorized to sign this Agreement and the other agreements, documents and instruments executed by such Seller pursuant hereto, together with the true signatures of such officers, (B) copies of consent actions taken by the Member of such Seller to execute, deliver and consummate this Agreement and all agreements, documents and instruments executed by such Seller pursuant hereto, and (C) that the conditions to Closing set forth in this Section 11.1 have been fulfilled and that all documents executed and delivered by such Seller in connection with this Agreement and the Closing have been duly executed and authorized; (iv) a customary opinion of counsel to Sellers; and (iv) Supporting Title Documents, as applicable, pursuant to the terms and subject to the conditions of Section 9.10 hereof.

11.1.4. **Network Affiliation Consents**. ABC shall have consented to the assignment of the Primary Affiliation Agreement dated October 16, 2002, as amended, between CBP, as successor-in-interest, and ABC, and CBS shall have consented to the assignment of the Affiliation Agreement dated as of July 1, 1995, as amended, between CBQ, as successor-in-interest, and CBS.

11.1.5. **No Injunction**. No injunction or restraining order shall be in effect to forbid or enjoin the consummation of the transactions contemplated by this Agreement and no Federal, state or local statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of such transactions.

11.1.6. **FCC Consents**. The FCC Consents shall have been granted and if a petition to deny or other objection has been timely filed with respect to the FCC Applications, and Purchaser has exercised its option pursuant to Section 5 hereof, such FCC Consent shall have become a Final Order.

11.1.7. **Instruments of Transfer**. Purchaser shall have received the deeds, endorsements, assignments, drafts, checks and other documents of transfer, conveyance and assignment contemplated by Section 2.3 valid to transfer all of Sellers' right, title and interest, as applicable, in and to the Assets to Purchaser and to vest in Purchaser good, marketable and insurable title to the Assets, subject only to Permitted Liens and the Liens set forth on Schedule 7.9 and 7.10 annexed hereto and not required to be discharged (in the manner herein provided) on or prior to the Closing Date pursuant to the terms of this Agreement.

11.1.8. **Books of Account**. Purchaser shall have received Sellers' books of account, records, leases, indentures, contracts, agreements, correspondence and other documents pertaining to the Assets and the Stations (other than the Excluded Records). Unless otherwise requested

by Purchaser, delivery of the foregoing shall not be effected by physical delivery at the Closing but by surrendering access to the premises containing the foregoing to Purchaser.

11.1.9. **Release of Liens.** Purchaser shall have received at the Closing, evidence, reasonably acceptable to Purchaser, that all Liens identified other than Permitted Liens have been properly terminated or released on or before the Closing, including either (i) a completed UCC-3 Termination Statement, in a proper form for filing, in respect of each such Lien or (ii) a payoff letter from the secured party thereunder, in form and substance reasonably acceptable to Purchaser, certifying that upon receipt by or on behalf of either Seller of the amount specified in such payoff letter, such Lien shall be released with no further action and that such secured party will, promptly upon receipt of the specified amount, deliver to Purchaser a duly executed UCC-3 Termination Statement, in a proper form for filing, in respect of such Lien.

11.1.10. **Instructions to Escrow Agent.** Each Seller shall have executed and delivered instructions to the Escrow Agent to release the Deposit to Sellers and all interest thereon and remaining balance therefor to Purchaser, which instructions shall be substantially in the form of Exhibit C to the Escrow Agreement.

11.2. **Obligation of Sellers to Close.** The obligation of Sellers to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions or the written waiver thereof by Sellers:

11.2.1. **Representations.** Those certain representations and warranties of Purchaser in this Agreement that are qualified by materiality shall be true and correct in all respects and those certain other representations and warranties of Purchaser that are not qualified by materiality shall be true and correct in all material respects, when made and on and as of the Closing Date as if made on the Closing Date (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such specified date only) except for changes permitted or contemplated by this Agreement, and Sellers shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Purchaser.

11.2.2. **Covenants.** Each of the agreements and covenants of Purchaser to be performed under this Agreement at or prior to the Closing Date shall have been duly performed, and Sellers shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Purchaser.

11.2.3. **Deliveries by the Purchaser to the Sellers.** At the Closing, Purchaser shall have delivered, or shall cause to be delivered, to the Sellers, all in form and substance reasonably satisfactory to the Sellers; (i) a certified copy of the Purchaser's Certificate of Formation; (ii) a certificate issued by the Secretary of State of the State of Delaware certifying that the Purchaser has legal existence and is in good standing; (iii) a certificate executed by a president or chief executive officer of the Purchaser certifying (A) the names of the officers of the Purchaser authorized to sign this Agreement and the other agreements, documents and instruments executed by the Purchaser pursuant hereto, together with the true signatures of such officers (B) copies of consent actions taken by the manager of the Purchaser to execute, deliver and consummate this Agreement and all agreements, documents and instruments executed by the Purchaser pursuant hereto and (C) that the conditions to Closing set forth in this Section 11.2 have been fulfilled and that all documents executed and delivered by Purchaser in connection with this Agreement and the Closing have been duly executed and authorized.

11.2.4. **Network Affiliation Consents.** ABC shall have consented to the assignment of the Primary Affiliation Agreement dated October 16, 2002, as amended, between CBP, as

successor-in-interest, and ABC, and CBS shall have consented to the assignment of the Affiliation Agreement dated as of July 1, 1995, as amended, between CBQ, as successor-in-interest, and CBS.

11.2.5. **No Injunction**. No injunction or restraining order shall be in effect to forbid or enjoin the consummation of the transactions contemplated by this Agreement and no Federal, state, or local statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of such transactions.

11.2.6. **FCC Consents**. The FCC Consents shall have been granted.

11.2.7. **Receipt of Purchase Price Payable at Closing**. Sellers shall have received the Purchase Price subject to an adjustment pursuant to Section 9.3 hereof by wire transfer of immediately available funds pursuant to the terms and subject to the conditions of this Agreement.

11.2.8. **Assumption Agreements**. Purchaser shall have executed and delivered the instruments of assumption contemplated by and pursuant to the terms and subject to the conditions of Section 3 hereof.

## 12. **Remedies for Breach.**

12.1. **Purchaser Declines to Close**. If Purchaser shall be entitled to decline to close, and shall decline to close the transactions contemplated by this Agreement, Purchaser shall have no liability to either Seller under or in any way by reason hereof, and Purchaser shall be entitled to payment of the Deposit plus interest thereon, and Purchaser shall, subject to the terms and conditions of this Agreement, have all such rights and remedies against either Seller, as applicable, as may be available to it in law or equity or otherwise.

12.2. **Purchaser Fails to Close**. If Sellers shall be entitled to decline to close, and shall decline to close the transaction contemplated by this Agreement, neither Seller shall have any liability to Purchaser under or in any way by reason hereof, and Sellers shall have all such rights and remedies against Purchaser as may be available to them in law or equity or otherwise. If the transactions contemplated by this Agreement fail to close or this Agreement is terminated by reason of or under circumstances arising from a breach by Purchaser of its representations, warranties, or covenants hereunder in any material respect, or if Purchaser refuses or fails to close after the conditions to its Closing have been satisfied, in either case without either Seller being in breach of any of its representations, warranties or covenants hereunder in any material respect, then, in that event, Sellers shall be entitled to payment of the Deposit (and all interest earned thereon) as liquidated damages, it being understood that this sum shall constitute full payment for any and all damages suffered by Sellers by reason of Purchaser's failure to close this Agreement. The parties acknowledge that the damages actually suffered by Sellers would be difficult to determine, but that the amount of the Deposit (and all interest earned thereon) is a reasonable estimate of the damages anticipated to be suffered by Sellers in such event.

12.3. **Sellers Elect to Close**. If Sellers shall be entitled to decline to close the transaction contemplated by this Agreement but Sellers shall elect nevertheless to close, Sellers shall be deemed to have waived any claims of any nature arising from the failure of Purchaser to comply with any of the terms and conditions of this Agreement of which Sellers had knowledge at the time of the Closing.

12.4. **Remedies Cumulative**. Except as set forth in Section 12.2, the specific remedies to which any party may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which such party may lawfully be entitled in

case of any breach, threatened breach or failure of observance or performance of any representation, warranty, covenant, agreement or commitment made hereunder or relating hereto or by reason of any such representation, warranty, covenant, agreement or commitment being untrue or incorrect.

13. **Termination Rights.** This Agreement may be terminated upon written notice from one party to the others upon the occurrence of any of the following:

13.1.1. by Sellers on the one hand, or Purchaser, on the other, at any time prior to the Closing with the mutual written consent of the other parties hereto;

13.1.2. by Sellers acting jointly, if Purchaser has materially breached this Agreement and neither Seller is in material breach of this Agreement, except that, if such breach is curable by Purchaser through the exercise of its reasonable best efforts, then, for a period of up to 30 days, but only as long as Purchaser continues to use its reasonable best efforts to cure such breach (the "Purchaser Cure Period"), such termination shall not be effective, and such termination shall become effective only if the breach is not cured within the Purchaser Cure Period; provided, however, Purchaser's failure to pay the Purchase Price to Sellers at the Closing pursuant to the terms and subject to the conditions of this Agreement shall not be subject to the Purchaser Cure Period and shall be an incurable breach of this Agreement;

13.1.3. by Purchaser, if either Seller has materially breached this Agreement and Purchaser is not in material breach of this Agreement, except that, if such breach is curable by such Seller through the exercise of its reasonable best efforts, then, for a period of up to 30 days, but only as long as such Seller continues to use its reasonable best efforts to cure such breach (the "Chelsey Cure Period"), such termination shall not be effective, and such termination shall become effective only if the breach is not cured within the Chelsey Cure Period;

13.1.4. by either Purchaser or Sellers, if the terminating party is not then in material default, if the Closing shall not have been effected within nine months after the date that the FCC accepts the FCC Applications for filing;

13.1.5. by Purchaser within 5 business days after the expiration of the Phase II Time Period, if the reasonable estimate of costs and expenses of the Environmental Work pursuant to Section 10.7, exceed One Hundred Thousand Dollars (\$100,000); provided however, that Sellers may elect, in writing, to pay the excess of the costs and expenses of the Environmental Work over One Hundred Thousand Dollars (\$100,000) and in such event Purchaser may not elect to terminate this Agreement under this Section 13.5; or

13.1.6. by Purchaser pursuant to the terms and subject to the conditions of Section 18.2.1.

14. **Effect of Termination.** If this Agreement is terminated pursuant to Section 13 hereof, this Agreement shall become null and void and none of the parties shall have any further liability hereunder except that (i) the provisions of Sections 1, 12, 13, 14, 15, 18.1.1 and 18.7 hereof shall remain in full force and effect and (ii) each party hereto shall remain liable to the other parties hereto for any breach of its obligations under this Agreement prior to such termination.



15. **Indemnification.**

15.1. **Indemnification of Sellers.** Purchaser shall defend and promptly indemnify Sellers and save and hold each of them harmless from, against, for and in respect of and shall pay any and all damages, losses, obligations, liabilities, claims, encumbrances, deficiencies, costs and expenses, including reasonable attorneys' fees and other costs and expenses incident to any action, investigation, claim or proceeding (all hereinafter collectively referred to as "Losses") suffered, sustained, incurred or required to be paid by either Seller by reason of: (i) the Assumed Liabilities; (ii) any representation or warranty of Purchaser herein being untrue or incorrect in any material respect; (iii) the operation of the Stations after the Closing Date; or (iv) any breach or failure of observance or performance of any covenant, agreement or commitment made by Purchaser hereunder or under any document or instrument relating hereto or executed pursuant hereto. In addition, Purchaser shall indemnify Sellers with respect to any Environmental Claims as provided in Section 17.8.2; provided such indemnification shall be governed by the procedures set forth in Section 15.3 hereof.

15.2. **Indemnification of Purchaser.** Sellers and CBC, jointly and severally, shall defend and promptly indemnify Purchaser and save and hold it harmless from, against, for and in respect of and shall pay any and all Losses suffered, sustained, incurred or required to be paid by Purchaser by reason of: (i) any and all obligations and liabilities of either Seller other than the Assumed Liabilities; (ii) any representation or warranty of either Seller herein being untrue or incorrect; (iii) the operation of the Stations on or prior to the Closing Date (other than the Assumed Liabilities); (iv) any breach or failure of observance or performance of any covenant, agreement or commitment made by either Seller hereunder or under any document or instrument relating hereto or executed pursuant hereto; or (v) any liability or obligation of either Seller for Federal, state, local or other taxes.

15.2.1. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be entitled to indemnification from either Seller or CBC:

(i) in connection with any Loss to the extent of any net tax benefit realized (by reason of a tax deduction, basis reduction, shifting of income, credit and/or deduction or otherwise) by Purchaser in connection with such Loss;

(ii) with respect to any claim for indemnification hereunder, unless Purchaser has given Sellers and CBC written notice of such claim prior to April 30, 2005, except for any claim for indemnification arising from a claim by the United States of America, the States of Illinois, Iowa and Missouri or any other governmental unit, body or agency with taxing authority relating to taxes or interest or penalties in connection therewith which claim may be asserted at any time;

(iii) if the existence of such liability, breach of representation, warranty or covenant or falsity of the representation upon which such liability would be based would constitute a breach of Purchaser's representation under Section 8.8.2.

(iv) for any Losses as to which Purchaser otherwise may be entitled to indemnity hereunder based upon a claim of breach of a representation or warranty by either Seller contained in Section 7 hereof (without giving effect to this Section 15.2) until such Losses exceed One Hundred and Fifty Thousand Dollars (\$150,000), and then only for such Losses in excess One Hundred and Fifty Thousand Dollars (\$150,000) of in the aggregate (provided that the foregoing shall be subject to Section 15.2.4 below);

(v) for any Losses as a result of Environmental Claims except as provided in Section 7.18.2; and

(vi) for any Losses in excess of the Purchase Price.

15.2.2. If with respect to a claim of indemnification that Purchaser asserts against either Seller or CBC hereunder, Purchaser also has an enforceable right of indemnification against any third party (contractual or otherwise), Purchaser shall use reasonable best efforts to pursue such claims or, in the event either Seller or CBC pays or otherwise discharges such claim of Purchaser, Purchaser shall assign to such payor without recourse to Purchaser the claims against such third party.

15.2.3. Any indemnity payment hereunder shall be treated as an adjustment to the Purchase Price to the extent permitted by applicable law. Where the receipt of any such payment is treated for tax purposes in a manner other than as an adjustment to the Purchase Price, the amount of the payment shall be adjusted to take account of any net tax cost actually incurred, or benefit actually enjoyed, by the indemnified party in respect thereof.

15.2.4. With respect to the threshold set forth in Section 15.2.1(iv) hereof, an amount equal to the actual costs incurred by or on behalf of Purchaser with respect to any Environmental Work shall be deemed a Loss for purposes of calculating the amount of Losses for purposes of Section 15.2.1(iv).

**15.3. Procedures for Third-Party Claims.**

15.3.1. Any party (an "Indemnified Party") seeking indemnification pursuant to this Section 15 in connection with any legal proceeding, action or claim, instituted by a third party, including any governmental entity (a "Third-Party Claim"), shall give the other party (the "Indemnifying Party") from whom indemnification with respect to such claim is sought (i) prompt written notice of such Third-Party Claim and (ii) copies of all documents and information relating to any such Third-Party Claim; provided, however, that the failure by the Indemnified Party to so notify or provide copies to the Indemnifying Party shall not relieve the Indemnifying Party from any liability to the Indemnified Party for any liability hereunder except to the extent that such failure shall have prejudiced the defense of such Third-Party Claim.

15.3.2. The Indemnifying Party shall have the right and obligation, at its sole expense, to defend against, negotiate, settle or otherwise deal with any Third-Party Claim with respect to which it is the Indemnifying Party and to be represented by counsel of its own choice, and the Indemnified Party will not admit any liability with respect thereto or settle, compromise, pay or discharge the same without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, so long as the Indemnifying Party is contesting or defending the same with reasonable diligence and in good faith; provided, however, that the Indemnified Party may participate in any proceeding with counsel of its choice and at its expense; provided further, that the Indemnifying Party may not enter into a settlement of any such Third-Party Claim without the consent of the Indemnified Party, which consent shall not be unreasonably withheld, unless such settlement requires no more than a monetary payment for which the Indemnified Party is fully indemnified by the Indemnifying Party or involves other matters not binding upon the Indemnified Party; and provided further that, in the event the Indemnifying Party fails timely to defend against, negotiate, settle or otherwise deal with such Third-Party Claim as provided above in this Section 15.3.2, then the Indemnified Party shall have the right to defend against, negotiate, settle or otherwise deal with the Third-Party Claim in such manner as the Indemnified Party deems appropriate, in its sole discretion, and may recover subject to the limitations set forth in Section 15.2, all other amounts paid as a result of such Third-Party Claim or compromise or settlement thereof.

15.4. **Survival of Representations, Warranties and Covenants.** The representations, warranties and covenants of Sellers and Purchaser contained in this Agreement, or in any certificate,

instrument or other document delivered by Sellers or Purchaser pursuant to this Agreement or in connection with the transactions contemplated hereby, shall survive the Closing for a period of one year. No claim shall be made or action brought by any party hereto after the one year anniversary of the Closing Date for the breach of, or inaccuracy in, any representation, warranty or covenant contained in this Agreement, or in any certificate, instrument or other document delivered pursuant to this Agreement or in connection with the transactions contemplated hereby.

16. **Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

17. **Brokers.** Sellers, on the one hand, and Purchaser, on the other, covenant and represent to each other that they had no dealings with any broker or finder in connection with this Agreement or the transactions contemplated hereby, and no broker, finder or other Person is entitled to receive any broker's commission or finder's fee or similar compensation in connection with any such transaction. Each of the parties agrees to defend, indemnify and hold harmless the other from, against, for and in respect of any and all Losses sustained by the other as a result of any liability or obligation to any broker or finder on the basis of any arrangement, agreement or acts made by or on behalf of such party with any Person whatsoever.

18. **Miscellaneous.**

18.1. **Confidentiality.**

18.1.1. **Sellers' Confidentiality Agreement.** From the date hereof until the Closing Date, Seller and CBC shall (i) treat all Confidential Information confidentially, hold such information in confidence and protect the same with at least the same degree of care but no less than reasonable care, with which it protects its own most sensitive confidential information, (ii) not disclose such Confidential Information to third parties without prior written consent of Purchaser, except for disclosures required by applicable law, provided that such disclosure is in accordance with the proviso contained in Section 18.5 hereof, and (iii) not use such information for any purpose.

18.1.2. **Purchaser's Confidentiality Agreement.** From the date hereof until the Closing Date, Purchaser shall (i) treat all Confidential Information confidentially, hold such information in confidence and protect the same with at least the same degree of care but no less than reasonable care, with which it protects its own most sensitive confidential information, (ii) not disclose such Confidential Information to third parties without prior written consent of Sellers, except for disclosures required by applicable law, provided that such disclosure is in accordance with the proviso contained in Section 18.5 hereof, and (iii) not use such information for any purpose.

18.1.3. **Treatment of Information to Comply with Tax Requirements.** Notwithstanding any other agreement among the parties, from and after the date of this Agreement, each party to this Agreement (and any employee, representative, or other agent thereof) may disclose to any and all Persons the U.S. Federal income tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that neither party (nor any employee, representative or other agent thereof) shall disclose (a) any information that is not relevant to an understanding of the U.S. Federal income tax treatment of the transactions contemplated by this Agreement, including the identity of any party to this Agreement (or its employees, representatives or agents) or other information that could lead any person to determine such identity or (b) any information

to the extent such disclosure could result in a violation of any Federal or state securities laws. Neither this Agreement nor any instrument contemplated hereby or relating hereto, is intended to, nor shall be construed, to limit the ability of any party hereto to consult with any tax advisor with respect to the tax treatment or tax structure of the transactions contemplated hereby or relating thereto.

## 18.2. **Risk of Loss**

18.2.1. **Risk of Loss**. The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Sellers. Each Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that Assets with a value of greater than One Hundred Thousand Dollars (\$100,000) are damaged or lost as of the date otherwise scheduled for Closing, Purchaser may, at its option, either (i) postpone Closing for a period of up to 60 days while Sellers repair or replace such Assets, or (ii) elect to close with the Assets in their current condition, in which case each Seller, as applicable, shall assign all proceeds from insurance on such lost or damaged Assets to Purchaser, and Purchaser shall have the responsibility to repair or replace the Assets. Sellers shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds One Hundred Thousand (\$100,000), *provided, however*, that should Sellers not advise Purchaser within five days after being requested to do so that Sellers will repair or replace such Assets, Purchaser may terminate this Agreement without penalty upon written notice to Sellers.

18.2.2. **Transmission Default**. Should either analog Station (a) not operate for a period in excess of 72 consecutive hours or (b) not operate at more than ninety percent (90%) of its maximum authorized power for a period of thirty (30) consecutive days (either (a) or (b) a "Transmission Default"), and it is reasonably expected that the Transmission Default could not be remedied within a reasonable time, Purchaser may, by written notice to Sellers within 5 days of the occurrence of the Transmission Default, either elect to terminate this Agreement without penalty upon written notice to Sellers or postpone the Closing for a period of up to 60 days while Sellers attempt to cure the Transmission Default condition, and if such cure occurs within such 60 day period, then the parties shall consummate the transaction at the earliest practicable date thereafter.

18.3. **Entire Agreement**. This Agreement constitutes the entire agreement of the parties (and supersedes any prior understanding of the parties, including with respect to the Letter of Intent) with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement, and in any financial statements, Schedules or exhibits delivered pursuant hereto constitute all of the representations, warranties, covenants and agreements of the parties hereto and upon which the parties have relied and except as may be specifically provided herein, no change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith. The information disclosed on any Schedule to this Agreement shall be deemed to be disclosed on any other applicable Schedule.

18.4. **Notices**. Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if sent by certified or registered mail, return receipt requested and postage prepaid, hand delivery or overnight delivery service:

If to Purchaser, at:

625 Madison Avenue; Third Floor  
New York, NY 10022  
Attention: Paul McNicol, Esq.  
Telephone: 212-486-4446  
Facsimile: 212-486-2896

with a copy to:

Barrington Broadcasting Company, LLC  
2500 West Higgins Road  
Suite 880  
Hoffman Estates, Illinois 60195  
Attention: K. James Yager

and

Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
Attention: Eric D. Greenberg, Esq.

Paul, Hastings, Janofsky & Walker, LLP  
1299 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
Attention: David D. Burns, Esq.  
Telephone: 202-508-9521  
Facsimile: 202-508-9700

If to Sellers or CBC, at:

c/o Chelsey Broadcasting Company, LLC  
17 Foxhall Place  
Scarsdale, New York 10583  
Attention: Paul S. Goodman  
Chief Executive Officer

With a copy to:

Wachtel & Masyr, LLP  
110 East 59th Street  
New York, New York 10022  
Attention: Scott J. Lesser, Esq.

or at such other address as any party may specify by notice given to the other party in accordance with this Section 18.4. The date of the giving of any notice sent by mail shall be three business days following the date of the posting of the mail, if delivered in person, the date delivered in person, or the next business day following delivery to an overnight delivery service.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

**PILOT TV ACQUISITION CORPORATION**

By: Paul McNeill  
Name: Paul M. McNeill  
Title: Senior Vice President

**CHELSEY BROADCASTING COMPANY  
OF QUINCY, LLC**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

**CHELSEY BROADCASTING COMPANY  
OF PEORIA, LLC**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

**CHELSEY BROADCASTING COMPANY,  
LLC**

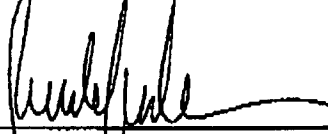
By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

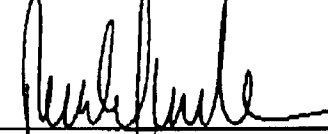
**PILOT TV ACQUISITION CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

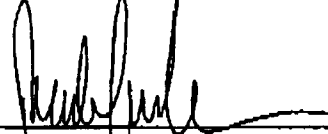
**CHELSEY BROADCASTING COMPANY  
OF QUINCY, LLC**

By:  \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

**CHELSEY BROADCASTING COMPANY  
OF PEORIA, LLC**

By:  \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

**CHELSEY BROADCASTING COMPANY,  
LLC**

By:  \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

## EARNEST MONEY ESCROW AGREEMENT

THIS EARNEST MONEY ESCROW AGREEMENT (this "**Agreement**") is made as of December 31, 2003, by and among **Pilot TV Acquisition Corporation**, a Delaware corporation having its principal place of business at 625 Madison Avenue, New York, New York 10022 ("**Purchaser**"); **Chelsey Broadcasting Company of Quincy, LLC ("CBQ")**, a Delaware limited liability company having its principal place of business at 301 South 36<sup>th</sup> Street, Quincy, Illinois, 62301, **Chelsey Broadcasting Company of Peoria, LLC ("CBP")**, a Delaware limited liability company having its principal place of business at 500 N. Stewart Street, Creve Coeur, Illinois 61610 (CBQ and CBP, collectively and individually, "**Seller**"); and United Bank, a Virginia bank ("**Escrow Agent**").

### W I T N E S S E T H:

**WHEREAS**, Purchaser, Seller and Chelsey Broadcasting Company are parties to that certain Asset Purchase Agreement, dated as of even date herewith (the "**Purchase Agreement**"); and

**WHEREAS**, pursuant to the terms and subject to the conditions of this Agreement, Purchaser is delivering in escrow to Escrow Agent the sum of One Million Two Hundred Thousand Dollars (\$1,200,000) (the "**Escrow Amount**" and the Escrow Amount, in whatever form invested as provided herein, together with all interest and proceeds earned thereon, as well as on such interest and proceeds, is referred to as the "**Escrow Proceeds**").

**NOW, THEREFORE**, in consideration of the mutual benefits to be derived from this Agreement and, in the case of Purchaser and Seller, the Purchase Agreement and of the representations, warranties, conditions, agreements and promises contained herein and therein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Definitions; Interpretation.** Capitalized terms used herein have the respective meanings ascribed thereto in Part I of *Exhibit A* and elsewhere in this Agreement. This Agreement shall be interpreted in accordance with the rules of construction set forth in Part II of *Exhibit A*.

**2. Appointment of Escrow Agent.** Purchaser and Seller hereby appoint Escrow Agent as escrow agent to receive, hold, administer, and deliver the Escrow Proceeds in accordance with this Agreement, and Escrow Agent hereby accepts its appointment, all pursuant to the terms and subject to the conditions set forth herein.

**3. Deposit of Escrow Funds.** Purchaser herewith deposits the sum of One Million Two Hundred Thousand Dollars (\$1,200,000) with Escrow Agent. Escrow Agent shall dispose of the Escrow Proceeds in accordance with the express provisions of this Agreement.



**4. Escrow Agent's Responsibilities.**

(a) Escrow Agent shall hold the Escrow Proceeds until authorized to deliver the same in accordance with this Agreement.

(b) Escrow Agent shall initially invest the Escrow Proceeds in a money market account established with the Escrow Agent. Subsequently if so directed in writing by the Purchaser from time to time, Escrow Agent shall invest and reinvest the Escrow Proceeds in any or all of the investment vehicles identified on *Exhibit B* in accordance with any such directions.

**5. Release of Escrow Proceeds.** Escrow Agent shall hold the Escrow Proceeds until it delivers the same as provided in this Section 5, as follows:

(a) If Escrow Agent receives written instructions substantially in the form set forth in *Exhibit C* signed by Purchaser and Seller, stating that the Escrow Proceeds are to be released in connection with the Closing under the Purchase Agreement, Escrow Agent shall deliver (i) the Escrow Amount to Sellers and (ii) an amount equal to the difference between the Escrow Proceeds and the Escrow Amount (the "**Escrow Earnings**") to Purchaser, each such delivery in accordance with such written instructions.

(b) If Escrow Agent receives a written notice signed by Seller stating that Seller is entitled to the Escrow Proceeds pursuant to the terms and subject to the conditions of Section 12.2 of the Purchase Agreement, Escrow Agent shall deliver a copy thereof to Purchaser in a manner specified in Section 11 hereof and, unless Escrow Agent receives a written objection from Purchaser within ten (10) Business Days after delivery thereof to Purchaser, shall deliver the Escrow Proceeds to Seller. If Escrow Agent receives a written objection from Purchaser within such period, Escrow Agent shall continue to hold the Escrow Proceeds until Purchaser or Seller has delivered to Escrow Agent a Final Determination as provided in Section 5(d) hereof and, promptly thereafter, Escrow Agent shall deliver the Escrow Proceeds (or such portions thereof) in accordance with such Final Determination.

(c) If Escrow Agent receives a written notice signed by Purchaser stating that the Purchase Agreement has been terminated for any reason other than pursuant to the terms and subject to the conditions Section 13.1.2 thereof or that Purchaser is otherwise entitled to the Escrow Proceeds pursuant to the terms and subject to the conditions of the Purchase Agreement, Escrow Agent shall deliver a copy thereof to Seller in a manner specified in Section 11 hereof and, unless Escrow Agent receives a written objection from Seller within ten (10) Business Days after the delivery thereof to Seller, shall deliver the Escrow Proceeds to Purchaser. If Escrow Agent receives a written objection from Seller within such period, Escrow Agent shall continue to hold the Escrow Proceeds until Purchaser or Seller has delivered to Escrow Agent a Final Determination as provided in Section 5(d) hereof and, promptly thereafter, Escrow Agent shall deliver the Escrow Proceeds (or such portions thereof) in accordance with such Final Determination.

(d) "**Final Determination**" means either (i) a settlement agreement signed by Purchaser and Seller or (ii) a writing by Purchaser or Seller, as the case may be, designated a "Final Determination," together with a certified copy of a final order or judgment of a court of

competent jurisdiction determining the rights of Purchaser and Seller with respect to the Escrow Proceeds which has been finally affirmed on appeal by the highest court before which such appeal may be sought, which has become final by lapse of time or which is otherwise not subject to appeal.

(e) If at any time Escrow Agent receives either a Final Determination or written instructions signed by Seller and Purchaser directing delivery of the Escrow Proceeds, or any portion thereof, Escrow Agent shall comply with such order or instructions, subject to the provisions of Section 10 hereof.

(f) Upon the final delivery or disposition of the Escrow Proceeds as provided in this Section 5, Escrow Agent shall thereupon be released and discharged from any and all further obligations arising in connection with this Agreement.

**6. *Matters Regarding Escrow Agent.*** Acceptance by Escrow Agent under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree shall govern and control with respect to the rights, duties and liabilities of Escrow Agent:

(a) In performing any of its duties under this Agreement, or upon the claimed failure to perform hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses that it may incur as a result of Escrow Agent so acting, or failing to act; *provided, however*, that Escrow Agent shall be liable for damages arising out of its willful or grossly negligent acts or omissions under this Agreement. Accordingly, Escrow Agent shall not incur any such liability with respect to (i) any action taken or omitted to be taken in good faith upon written advice of its independent counsel given with respect to any questions relating to the duties or responsibilities of Escrow Agent hereunder or (ii) any action taken or omitted to be taken in reliance upon any document, including any written notice or instructions provided for in this Agreement, which Escrow Agent shall in good faith have believed to be genuine, true, accurate and duly executed and to have been signed or presented by the proper person or persons and to conform with the provisions of this Agreement.

(b) Purchaser and Seller, jointly and severally, hereby agree to indemnify and hold harmless Escrow Agent against any and all losses, claims, damages, costs, liabilities and expenses, including reasonable attorneys' fees and disbursements, that may be imposed upon Escrow Agent or incurred by it in connection with its acceptance of this appointment as Escrow Agent hereunder or the performance of its duties hereunder, including any litigation arising from this Agreement or involving the subject matter hereof; except that, if Escrow Agent shall be found liable for or guilty of willful or grossly negligent acts or omissions which result in a breach of its obligations hereunder, then Escrow Agent shall bear all such losses, claims, damages and expenses.

(c) In the event that Purchaser or Seller shall be obligated to make any payment to Escrow Agent pursuant to the terms and subject to the conditions of Section 6(b), each of Purchaser and Seller shall contribute to the amount paid or payable by such party an amount equal to fifty percent (50%) of such amount.

(d) In the event of a dispute between any of the parties hereto sufficient in the discretion of Escrow Agent to justify its doing so, in addition to its rights under Section 8 hereof, Escrow Agent shall be entitled to tender the Escrow Proceeds into the registry or custody of any court of competent jurisdiction identified in the immediately following sentence, together with the commencement of such legal proceedings as it deems appropriate, including interpleader, and thereupon shall be discharged from all further duties under this Agreement. Any such legal action shall be brought in the United States District Court for the Southern District of New York or in the courts of the State of New York sitting in New York City.

(e) Escrow Agent shall be bound only by the terms of this Agreement and shall not be bound by or incur any liability with respect to the Purchase Agreement or any other agreement, understanding or proposal between Purchaser and Seller except as herein expressly provided. Escrow Agent shall not have any duties hereunder except those specifically set forth herein.

#### **7. Compensation of Escrow Agent.**

(a) Escrow Agent shall be entitled to compensation for its services hereunder in accordance with the rates set forth on *Exhibit D* and shall be reimbursed for all reasonable expenses, disbursements and advances (including reasonable attorneys' fees and expenses) incurred or made by it in performance of its duties hereunder. All such compensation, disbursements, expenses and advances shall be borne equally by Seller, on the one hand, and Purchaser, on the other hand and, in the case of any such reimbursement, upon submission to Seller and Purchaser of an itemized statement relating to the amounts to be reimbursed.

(b) Notwithstanding Section 7(a), Escrow Agent shall not be obligated to incur any out-of-pocket expenses or make any disbursements in the aggregate in any one month in excess of One Thousand Dollars (\$1,000.00) unless Escrow Agent is provided in advance with sufficient funds for such purpose after providing each of Purchaser and Seller a written request therefor.

(c) If Purchaser or Seller, as the case may be, shall fail to pay its respective portion of the compensation payable hereunder or to make any such reimbursement as required in accordance with Section 7(a), Escrow Agent shall be entitled to make such payment or reimbursement from the Escrow Proceeds and Purchaser or Seller, as the case may be, shall be obligated to restore such sums to the Escrow Proceeds.

(d) Each of Purchaser and Seller agree to indemnify and hold harmless the other party from and against any and all losses, claims, damages, costs, liabilities and expenses, including reasonable attorneys' fees and disbursements, incurred or suffered, directly or indirectly, by such other party hereto arising from, by reason of or in connection with the breach by Purchaser or Seller, as applicable, of this Section 7.

**8. Resignation and Replacement of Escrow Agent.** Escrow Agent may resign and be discharged from its duties hereunder at any time by delivering written notice of such resignation to Purchaser and Seller and specifying a date (not earlier than thirty (30) days after the delivery of such notice) when such resignation shall take effect. Promptly after delivery of

such notice, a successor escrow agent shall be appointed by mutual agreement of Purchaser and Seller and such successor escrow agent shall become Escrow Agent hereunder as specified below. If Purchaser and Seller are unable to agree upon a successor escrow agent within thirty (30) days after delivery of such notice, Escrow Agent shall be entitled to appoint its successor. Escrow Agent shall continue to serve until its successor executes an Instrument of Adherence substantially in the form of *Exhibit E* and delivers the same to Purchaser and Seller and such successor accepts the escrow and receives the Escrow Proceeds. Notwithstanding the foregoing, if no successor agent shall have so executed and delivered such Instrument of Adherence during such thirty (30) -day period, Escrow Agent shall be entitled to pay over the Escrow Proceeds into any court of competent jurisdiction identified in Section 6(d) hereof and be relieved of its obligations hereunder. Purchaser and Seller may agree at any time to substitute a new escrow agent, for any reason or no reason, by delivering written notice thereof to Escrow Agent. The succeeding escrow agent shall become Escrow Agent under this Agreement by executing and delivering to Purchaser, Seller and Escrow Agent an Instrument of Adherence substantially in the form of *Exhibit E*. Upon such execution and delivery, (a) the succeeding escrow agent shall assume all of the rights and obligations of Escrow Agent hereunder and all references herein to "Escrow Agent" shall be to such succeeding escrow agent, (b) Escrow Agent shall deliver to such successor the Escrow Proceeds, and (c) Escrow Agent shall be relieved of all subsequent liability with respect thereto.

#### **9.     *Settlement of Disputes.***

(a) Any dispute between Purchaser and Seller that may arise under this Agreement with respect to (i) the delivery, ownership or right of possession of the Escrow Proceeds or any portion thereof, (ii) the facts upon which any determination made by Escrow Agent is based, (iii) the duties of Escrow Agent hereunder or (iv) any other matters arising under this Agreement shall be finally resolved pursuant to the terms and subject to the conditions of the Purchase Agreement.

(b) Except as otherwise provided in Section 6, Escrow Agent shall be under no duty to institute or defend any legal proceedings and none of the costs and expenses of any such proceedings shall be borne by Escrow Agent. In no event shall Escrow Agent be responsible for determining the outcome of any such dispute, and except as otherwise provided in Section 6, Escrow Agent shall not be liable for any actions taken pursuant to and in accordance with the provisions of this Agreement.

**10.     *Escrow Earnings.*** In the event that payment of the Escrow Amount becomes due to Seller in accordance with the terms of this Agreement and the amount of the Escrow Proceeds exceeds the Escrow Amount, then Escrow Agent will pay the Escrow Earnings to Purchaser in accordance with the terms hereof. For all Tax purposes, all Escrow Earnings will be for the account of Purchaser, until such time as the Escrow Proceeds are released and delivered to Seller and/or Purchaser pursuant to Section 5 hereof. Upon execution of this Agreement, Purchaser shall provide Escrow Agent with a fully executed W-8 or W-9 Internal Revenue Service form, which shall include its Tax Identification Number (TIN) as assigned by the Internal Revenue Service.

**11. Notices.**

(a) Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if sent by certified or registered mail, return receipt requested and postage prepaid, hand delivery or overnight delivery service to the addresses set forth on *Exhibit F*, or at such other address as any party may specify by notice given to the other party in accordance with this Section 11. The date of the giving of any notice sent by mail shall be three business days following the date of the posting of the mail, if delivered in person, the date delivered in person, or the next business day following delivery to an overnight delivery service.

(b) Purchaser and Seller hereby agree between themselves that any notice required to be delivered to Escrow Agent by either party pursuant to this Agreement shall also be delivered to the other party in accordance with the provisions of this Section 11.

**12. Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no party may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other parties hereto.

**13. Governing Law.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New York. applicable to contracts to be performed entirely with the State of New York. Should any clause, Section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, Sections or parts of this Agreement which can be effected without such illegal clause, Section or part shall nevertheless continue in full force and effect.

**14. Enforceability; Severability.** In the event that (a) any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision, each of which is hereby declared to be separate and distinct, (b) any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and (c) any provision of this Agreement is declared invalid or unenforceable for any reason other than overbreadth, the offending provision will be modified so as to maintain the essential benefits of the bargain among the parties hereto to the maximum extent possible, consistent with law and public policy.

**15. Amendments and Waivers.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. No modification, amendment or waiver of any provision of, or consent or approval required by, this Agreement, nor any consent to or approval of any departure herefrom, shall be effective unless it is in writing and signed by the party against whom enforcement of any such modification, amendment, waiver, consent or approval is sought. Such modification, amendment, waiver, consent or approval shall be effective only in the specific instance and for the purpose for which given. Neither the failure of any party to enforce, nor the delay of any party in enforcing, any condition or part of this Agreement at any

time shall be construed as a waiver of that condition or part or forfeit any rights to future enforcement thereof.

**16. *Entire Agreement.*** Except for the Purchase Agreement, this Agreement constitutes the entire agreement of the parties (and supersedes any prior understanding of the parties, including with respect to the Letter of Intent) with respect to the subject matter hereof.

**17. *Counterparts.*** This Agreement may be executed in one or more counterparts each of which when taken together shall constitute one agreement. 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 original counterpart of this Agreement.

*[Remainder of page intentionally left blank; signature page follows]*

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

CHELSEY BROADCASTING COMPANY OF  
QUINCY, LLC

By: \_\_\_\_\_

Name: Paul S. Goodman

Title: Chief Executive Officer

PILOT TV ACQUISITION CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CHELSEY BROADCASTING COMPANY OF  
PEORIA, LLC

By: \_\_\_\_\_

Name: Paul S. Goodman

Title: Chief Executive Officer

UNITED BANK

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

CHELSEY BROADCASTING COMPANY OF  
QUINCY, LLC

PILOT TV ACQUISITION CORPORATION

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

By: Paul M. McNeil  
Name: PAUL M. MCNEIL  
Title: Senior Vice President

CHELSEY BROADCASTING COMPANY OF  
PEORIA, LLC

UNITED BANK

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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

**CHELSEY BROADCASTING COMPANY OF  
QUINCY, LLC**

**PILOT TV ACQUISITION CORPORATION**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CHELSEY BROADCASTING COMPANY OF  
PEORIA, LLC**

**UNITED BANK**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

By:  \_\_\_\_\_  
Name: David M. Graul  
Title: Vice President

## EXHIBIT A—CERTAIN DEFINED TERMS; CERTAIN INTERPRETATIONS

*I. Certain Defined Terms.* The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

“**Agreement**” has the meaning set forth in the preamble hereof.

“**Business Day**” means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or that is a day on which the Escrow Agent or banking institutions located in New York, New York or Chicago, Illinois are authorized or required by law or other governmental action to close.

“**Closing**” means the consummation of the transactions contemplated by the Purchase Agreement.

“**Dollars**” or “**\$**” means United States dollars.

“**Escrow Agent**” has the meaning set forth in the preamble hereof.

“**Escrow Amount**” has the meaning set forth in the recitals hereof.

“**Escrow Earnings**” has the meaning set forth in Section 5(b).

“**Escrow Proceeds**” has the meaning set forth in the recitals hereof.

“**Final Determination**” has the meaning set forth in Section 5(d).

“**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.

“**Law**” means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

“**Purchase Agreement**” has the meaning set forth in the recitals hereof.

“**Purchaser**” has the meaning set forth in the preamble hereof.

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

“**Tax**” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental

(including taxes under Section 59A of the Internal Revenue Code of 1986, as amended), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

## ***II. Descriptive Headings; Certain Interpretations.***

(a) Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(b) Except as otherwise expressly provided in this Agreement or as the context otherwise requires, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) “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”; (iii) a reference to a Person includes its successors and permitted assigns; and (iv) a reference in this Agreement to an Section or Exhibit is to the referenced Section or Exhibit of this Agreement.

(c) The parties hereto agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any Law or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

\* \* \*

## MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made as of this 31st day of December 2003, by and between **Barrington Broadcasting Company, LLC**, a Delaware limited liability company having its principal place of business at 2500 West Higgins Road, Suite 880, Hoffman Estates, Illinois 60195 ("Barrington"), and **Chelsey Broadcasting Company, LLC**, a Delaware limited liability company having its principal place of business at 17 Foxhall Place, Scarsdale, New York 10583 ("Parent").

### WITNESSETH:

WHEREAS, Parent Controls and, through its subsidiaries, operates certain broadcast television stations; and

WHEREAS, Barrington has substantial experience in the management and operation of broadcast television stations; and

WHEREAS, pursuant to the terms and subject to the conditions set forth in this Agreement, as of the Effective Date, Parent retained Barrington to provide to Parent, and Barrington has provided to Parent, certain management, engineering, financial reporting, back-office and related advisory services with respect to the business and operation of certain of the broadcast television stations Controlled by Parent as set forth below; and

WHEREAS, this Agreement evidences the terms and conditions under which the parties have been conducting matters relating to the subject matter hereof since April 1, 2003 (the "Effective Date");

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE 1 - INTERPRETATION

**Section 1.1 Definitions.** Capitalized terms used herein have the respective meanings ascribed thereto in Part I of *Exhibit 1.1* and elsewhere in this Agreement.

**Section 1.2 Interpretation.** This Agreement shall be interpreted in accordance with the rules of construction set forth in Part II of *Exhibit 1.1*.

### ARTICLE 2 - TERM

**Section 2.1 Term.** The term of this Agreement commenced upon the Effective Date and, unless sooner terminated as hereinafter provided, shall terminate on the first anniversary of the date hereof, and, thereafter, shall automatically renew for successive additional one (1) -year periods unless on or before sixty (60) days prior the last day of

the initial term or any renewal term either party shall notify the other in writing of its intent not to renew the term hereof (the initial term and each renewal term, the "Term").

**Section 2.2 Division of the Term into Phases.** For purposes of designating the services to be provided by Barrington and the fee to be paid by Parent, the Term shall be divided into two phases for purposes of this Agreement as follows:

(a) The period during the Term commencing upon the Effective Date and ending upon date on which the Peoria-Quincy Closing shall have occurred shall be referred to herein as "Phase 1."

(b) The period during the Term commencing immediately following the end of Phase 1 pursuant to Section 2.2(a) shall be referred to herein as "Phase 2."

### **ARTICLE 3 - MANAGEMENT SERVICES**

**Section 3.1 Appointment of Barrington.** Upon the conditions and for the Term and compensation set forth herein, Parent, on behalf of itself and the licensees of the Covered Stations, hereby engages Barrington as of the Effective Date, and Barrington hereby accepts such engagement as of the Effective Date, to provide management and advisory services, as described in Section 3.2 hereof, and to assist Parent with respect to the management and operation of the Covered Stations.

**Section 3.2 Phase 1 Services to be Provided by Barrington.** Pursuant to the terms and subject to the conditions of this Agreement, including Section 3.5 hereof, Barrington shall provide to Parent the following services with respect to the Covered Stations during Phase 1 of the Term (collectively, the "Phase 1 Services"):

(a) Barrington shall make available to Parent expertise and advice in connection with technical matters relating to the maintenance and operation of broadcasting transmission, including advice in connection with proposed capital expenditures relating to broadcasting transmission-related matters (collectively, the "Engineering Services").

(b) Barrington shall (i) prepare or cause to be prepared on a monthly basis and transmit to Parent consolidated unaudited financial statements, which shall include a balance sheet and a profit and loss statement, relating to the television broadcasting operations of Parent; (ii) maintain, in accordance with generally accepted accounting principles consistently applied, such books and records relating to such consolidated unaudited financial statements; (iii) review work programs and make such inquiries as Barrington deems reasonably necessary with respect to monthly financial information provided by each Covered Station; (iv) provide fixed asset accounting services with respect to the applicable assets of each Covered Station; (v) prepare consolidated reports reflecting weekly sales pacing and flash reports for each Covered Station; (vi) provide to Parent such data concerning the financial results of operations of the Covered Stations as may be reasonably necessary in connection with Parent's preparation of its annual tax filings with applicable governmental authorities; (viii) provide guidance and advice with respect to accounting matters to those certain

employees of Parent's Affiliates responsible for accounting matters at each Covered Station, including in connection with the coordination of the annual budget process at each such Covered Station and the preparation of state and local tax returns and filings for each Covered Station; and (ix) and such other advice and assistance with respect to accounting and financial matters consistent with Past Practice (the foregoing clauses, collectively, the "Accounting Services"); *provided, however*, that the parties expressly agree that nothing contained herein shall be deemed to create an obligation on the part of Barrington to (y) prepare statements of changes in financial position, and (z) prepare or file any tax returns or other tax filings, whether federal, state or local, for or on behalf of Parent or any of its Affiliates.

(c) Barrington shall (i) review insurance and benefits plans and related changes or proposed changes thereto relating to the insurance and benefits provided to employees of Parent's Affiliates employed at the Covered Stations, (ii) assist in Parent's negotiations with those certain carriers or other third parties that provide employee benefits to the employees of Parent's Affiliates employed at the Covered Stations or other insurance carriers that provide insurance with respect to the Covered Stations and otherwise act as a liaison to such carriers or third parties, (iii) provide assistance to Parent in connection with the administration of commercial liability and other similar insurance policies in respect of each Covered Station (the foregoing clauses, collectively, the "Benefits and Insurance Services");

(d) Barrington shall provide advice and recommendations with respect to (i) existing and potential programming licenses for the Covered Stations and pricing for advertising and other services rendered by the Covered Stations; (ii) personnel matters relating to department-head or more senior positions at each of the Covered Stations; and (iii) such other matters relating to the business and operation of the Covered Stations in the ordinary course of business (the foregoing clauses, collectively, the "Advisory Services"); *provided, however*, that in all events the foregoing Advisory Services shall be advisory only and in no event shall the provision of such Advisory Services or the engagement by Parent of Barrington for the provision of such Advisory Services limit or constitute a delegation of the ultimate control and authority of Parent with respect to the operation, programming, finance or personnel matters relating to the Covered Stations;

(e) Barrington shall provide such advice and assistance to Parent as Parent may reasonably request in connection with the preparation of applications, requests and presentations to obtain or maintain in effect, and manage and operate each Covered Station in substantial compliance with, permits, licenses, franchise, authorizations, approvals, consents and variances, whether regulatory, governmental, quasi-governmental or otherwise, as may be necessary or appropriate for the maintenance and operation of the Covered Stations (the "Regulatory Services"); *provided, however*, that in all events the foregoing Regulatory Services shall not include the preparation and filing by Barrington of any of the foregoing applications, requests or presentations;

(f) Barrington shall perform such other services or particular projects relating to the management and operation of the Covered Stations consistent with the nature and scope of the foregoing and as the parties may agree upon.

**Section 3.3 Phase 2 Services.** Pursuant to the terms and subject to the conditions of this Agreement, including Section 3.5 hereof, Barrington shall provide to Parent the following services with respect to the Covered Stations during Phase 2 of the Term (the "Phase 2 Services"):

- (a) The Accounting Services;
- (b) The Benefits and Insurance Services;
- (c) The Engineering Services;
- (d) The Regulatory Services; and

(e) Barrington shall perform such other services or particular projects relating to the management and operation of the Covered Stations consistent with the nature and scope of the foregoing clauses (a), (b) and (c) and as the parties may agreed upon.

**Section 3.4 Limitations on Services.**

(a) Notwithstanding anything to the contrary contained in this Agreement, Barrington shall not, without the express written consent of Parent, be authorized on behalf of Parent to:

- (i) Borrow money for any purpose; or
- (ii) Sell, lease, trade, exchange or otherwise dispose of any capital assets of Parent or Parent's Affiliates; or
- (iii) Enter into any contract on behalf of Parent or any of its Affiliates.

**Section 3.5 Compliance with Laws; Ultimate Control of Licensees.** Nothing contained in this Agreement shall be construed (a) in a manner contrary to the Communications Act or the FCC Rules or (b) to limit the full authority, control and power of the licensee of each Covered Station, whether Parent or an Affiliate of Parent, with respect to the business, management and operation of any Covered Station, including with respect to the operation, programming, finance or personnel matters relating to each such Covered Station.

**ARTICLE 4 - FEES, REIMBURSEMENT AND OTHER CONSIDERATION**

**Section 4.1 Management Fee.**

(a) In consideration for the Phase 1 Services, commencing on January 1, 2004 and for the remainder of Phase 1 of the Term, Parent shall pay Barrington a monthly fee in an amount equal to Thirty-Five Thousand Dollars (\$35,000).

(b) In consideration for the Phase 2 Services, during Phase 2 of the Term Parent shall pay Barrington a monthly fee in an amount equal to Five Thousand Dollars (\$5,000) for each Covered Station (pro rated for any partial month in which a Covered Station shall cease to be deemed a Covered Station for purposes of this Agreement).

(c) Payments under the foregoing paragraphs (a) and (b) shall be payable monthly in advance. In the event of termination of this Agreement, the monthly fee due with respect to the calendar month in which such termination shall be effective shall be prorated based upon a thirty-day month.

(d) The parties acknowledge the payment by Parent and the receipt by Barrington of all fees due in connection with the performance of the Phase 1 Services during the period commencing on the Effective Date and ending on December 31, 2003, exclusive of any Reimbursable Expenses during such period.

#### ***Section 4.2 Per Diem During Phase 2.***

(a) During Phase 2 of the Term, in addition to the obligations of Parent pursuant to Section 4.1(b) with respect to the payment of a monthly fee, Parent shall also pay to Barrington a per diem fee as follows:

(i) One Thousand Dollars (\$1,000) per day for each day (pro rated for any half day) in which Yager provides a portion of the Phase 2 Services at the request of Parent;

(ii) Seven Hundred Fifty Dollars (\$750) per day (pro rated for any half day) for each day in which Cornelius provides a portion of the Phase 2 Services at the request of Parent.

(b) The per diem fee contemplated by this Section 4.2 is a flat fee and shall be due and payable without regard to the amount of time expended by Yager or Cornelius, as the case may be, in connection with the Phase 2 Services.

(c) For purposes of calculating the per diem fee to be paid pursuant to this Section 4.2, the parties agree that with respect to the performance of any Phase 2 Services by Yager or Cornelius, the provision of such Services in an amount greater than one (1) hour but less than four (4) hours shall be deemed to be a half-day and the provision of such Services in amount greater than four (4) hours in a single day shall be deemed a full day.

***Section 4.3 Reimbursement.*** Barrington shall be entitled to reimbursement for all reasonable out-of-pocket expenses incurred in connection with the performance of the Services, including reasonable travel expenses for travel pre-approved by Parent and disbursements to third parties and any other expenses incurred by Barrington at the request of Parent (collectively, "Reimbursable Expenses"). Within fifteen (15) days following the end of any calendar month in which Barrington shall have incurred any Reimbursable Expenses, Barrington shall send to Parent an invoice (the "Reimbursement Invoice") that shall set forth the amount of any such Reimbursable Expenses with



corresponding documentation attached thereto and Parent shall pay the total amount owed pursuant to the Reimbursement Invoice within thirty (30) days after the date of such Reimbursement Invoice. The parties acknowledge and agree that other than in connection with pre-approved travel, Reimbursable Expenses in excess of One Hundred Dollars (\$100) shall be approved in advance by Parent.

***Section 4.4 Conveyance of Certain Office Equipment and Related Materials.***

In partial consideration of the performance of the Services prior to the date of this Agreement, simultaneously with the execution and delivery of this Agreement, Parent hereby agrees to sell, transfer, convey, assign and deliver to Barrington all of the right, title and interest of Parent in and to the Office Equipment and, in connection therewith, simultaneously with the execution and delivery of this Agreement, Parent shall execute and deliver to Barrington a bill of sale in substantially the form of *Exhibit 4.4* hereto evidencing and effecting such sale, transfer, conveyance, assignment and delivery.

***Section 4.5 License to Use Servers; Option to Purchase.***

(a) The parties acknowledge and agree that the Servers are owned by Parent and housed at the principal offices of Barrington (without charge to Parent) and during the Term, and with the consent of Parent, Barrington has all reasonable use of the Servers, including in connection with the conduct of its business apart from the performance of the Services. The parties further acknowledge and agree that, in further consideration of the performance of the Services, in the event that this Agreement expires or is terminated for any reason other than by Parent pursuant to Section 6.1(b) or clause (ii) of Section 6.1(f), Parent hereby licenses and grants to Barrington the right to all reasonable use of the Servers for a period commencing on the date of such termination or expiration through and until the date sixty (60) days following the Wind-Up Date; *provided, however*, that such use by Barrington shall be non-exclusive insofar as Parent shall continue to have the right to use the Servers in connection with the conduct of its business consistent with Past Practice, including the winding up of such business, Parent's preparation of tax returns or as Parent may otherwise require in connection with Parent's compliance with other applicable legal requirements, and in connection with the provision of access by Parent to third parties pursuant to any Station Sale Agreement.

(b) Commencing on the date of the Peoria-Quincy Closing, the maintenance costs with respect to the Servers, including with respect to software license fees relating to the Servers, shall be allocated monthly between Barrington and Parent, such allocation to be pro rated between Barrington and Parent based on the number of television stations owned, operated or managed by Barrington or Pilot (directly or indirectly, but exclusive of the Covered Stations), on the one hand, and the number of television stations owned, operated or managed by Parent (directly or indirectly) or formerly owned, operated or managed by Parent (directly or indirectly).

(c) Parent hereby grants to Barrington an exclusive option to purchase the Servers for a purchase price of One Dollar (\$1), which option shall be exercisable at any time by notice from Barrington to Parent during the period commencing on the Wind-Up Date and ending sixty (60) days thereafter. Parent covenants and agrees that it shall not

sell or otherwise dispose of the Servers prior to the expiration of the foregoing option period. Upon exercise by Barrington of the option granted hereunder, Parent covenants and agrees that it shall sell, transfer, convey, assign and deliver to Barrington all of the right, title and interest of Parent in and to the Servers, and promptly upon notice from Barrington and payment of the purchase price completed hereby, Parent shall deliver to Barrington a bill of sale substantially in the form of *Exhibit 4.4* to evidence and effect such sale, transfer, conveyance, assignment and delivery.

(d) Parent covenants and agrees that it shall deliver to Barrington notice that Parent has or is about to complete the winding-up of its affairs. The date of delivery of the foregoing notice shall be referred to as the “Wind-Up Date.”

(e) Upon the consummation of the transaction contemplated by exercise of the option under this Section 4.5, Barrington covenants and agrees that it shall maintain such records of Parent on the Servers as may be reasonably necessary for Parent to comply with the information maintenance requirements under any Station Sale Agreements, or in connection with Parent’s preparation of tax returns or as Parent may otherwise require in connection with Parent’s compliance with other applicable legal requirements.

(f) This Section 4.5 shall survive the expiration or termination of this Agreement in accordance with its terms.

## **ARTICLE 5 - REPRESENTATIONS AND WARRANTIES**

**Section 5.1 Mutual Representations and Warranties.** Each party hereby represents and warrants to the other that (a) it is a limited liability company duly formed, validly existing and organized in the jurisdiction of formation set forth in the preamble hereto; (b) it has all requisite power and authority to execute, deliver, and perform this Agreement, (c) all necessary company proceedings of such party have been duly taken to authorize the execution, delivery, and performance of this Agreement, and (c) this Agreement has been duly authorized, executed, and delivered by such party and it is such party’s legal, valid and binding obligation of such party enforceable against it in accordance with the terms and conditions hereof.

**Section 5.2 Additional Representations and Warranties of Parent.** Parent owns and has good title to the Office Equipment and the Servers, and Parent will own and have good title to the Servers on the Transfer Date, and such Office Equipment and Servers are and, with respect to the Servers will be on and as of the Transfer Date, owned by Parent free and clear of all liens or encumbrances of any kind. This Section 5.2 shall survive until the Transfer Date or the expiration of the option period under Section 4.5.

**Section 5.3 Mutual Limitation on Warranties.** Except as provided in this Article 5, neither party makes any other representation or warranty to the other, express or implied.

## ARTICLE 6 - TERMINATION

**Section 6.1 Termination.** In addition to other remedies available at law or equity, this Agreement may be terminated by written notice as set forth below:

- (a) By the mutual written agreement of the parties hereto;
- (b) By either Parent or Barrington if the other party is in material breach of its obligations hereunder and has failed to cure such breach within thirty (30) days (or, with respect to any breach of a payment obligation hereunder, ten (10) days) of written notice from the nonbreaching party; *provided, however*, that the party seeking to terminate the Agreement pursuant to this paragraph (b) is not then in material default or breach hereunder;
- (c) By either Parent or Barrington if the other party makes a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such other party under any federal or state insolvency law, which if filed against such other party, has not been dismissed within sixty (60) days hereof;
- (d) By either party if this Agreement is declared invalid or illegal in whole or material part by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction, including the United States Bankruptcy Court, and such order or decree has become final and no longer subject to further administrative review;
- (e) By Parent within fifteen (15) days of the date on which there is a Change of Control with respect to Parent;
- (f) By Parent upon thirty (30) days' prior written notice at any time following (i) the commencement of Phase 2 or (ii) termination of the Peoria-Quincy Agreement by Parent;
- (g) By Barrington upon thirty (30) days' prior written notice at any time following the termination of the Peoria-Quincy Agreement by Purchaser (as defined therein).
- (h) Automatically and without further action by the parties on the date there shall cease to be any Covered Stations pursuant to the terms and subject to the conditions of this Agreement. Without limiting the effect of the foregoing, Parent shall deliver to Barrington notice of (i) the anticipated date of the consummation of the transfer of such final Covered Station as soon as practicable and (ii) the actual date of the consummation of such transfer not less more than ten (10) days following the date of such consummation.

## ***Section 6.2 Effect of Termination.***

(a) The termination or expiration of this Agreement shall be without prejudice to the right of either party hereto to receive all performance due in favor of such party under this Agreement prior to the effective date of such termination or expiration, including reimbursement by Parent of Reimbursable Expenses incurred by Barrington prior to the effective date of termination or expiration, and any other right and remedies which such party may then or thereafter have hereunder.

(b) In the event that this Agreement is terminated by Parent pursuant to Section 6.1(b), (c), or (d) hereof, then Barrington shall refund to Parent the pro rata portion of the fee with respect that portion of the calendar month for which such fee was paid that follows the effective date of such termination, net of any and all amounts payable by Parent hereunder.

(c) Upon termination of this Agreement pursuant to the terms and subject to the conditions of Section 6.1(h), the parties agree that Barrington shall provide such reasonable assistance to Parent in connection with those Accounting Services as Parent may reasonably require in connection with the winding-up of its affairs (the "Wind-Up Services"), which assistance shall not require the payment of a fee pursuant to Sections 4.1 or 4.2; *provided, however*, the parties acknowledge and agree that such Wind-Up Services shall be similar in scope and nature, and require a devotion of resources substantially similar to those Accounting Services that Barrington provides in connection with the consummation of Station Sale Agreement in accordance with Past Practice; and *provided further* that in the event that the requested Wind-Up Services shall be inconsistent with Past Practice as contemplated hereby, the parties agree that Barrington shall not be required to perform such Wind-Up Services and that the parties will negotiate in good faith to agree upon an amount of consideration that represents the fair value of the Wind-Up Services requested or otherwise to be agreed upon.

(d) This Section 6.2 shall survive termination or expiration of the Agreement in accordance with its terms.

## **ARTICLE 7 - INDEMNIFICATION**

***Section 7.1 Indemnification of Parent.*** Barrington agrees to indemnify, defend, reimburse, and hold harmless Parent and its Affiliates and all of Parent's and its Affiliates' members, managers, officers, employees, agents, consultants and representatives (each, a "Parent Indemnified Party") for, from, and against all demands, claims, actions or causes of action (whether under an indemnity or otherwise), assessments, losses, damages, liabilities, costs and expenses, including interest, penalties, and attorneys' fees, disbursements and expenses (collectively, "Damages") asserted against, imposed on, or incurred by such Parent Indemnified Party, directly or indirectly, arising, in whole or in part, out of or in connection with the gross negligence or willful misconduct of Barrington in connection with the performance of the Services. The parties agree that the payment of any and all claims made by Barrington for indemnification hereunder, for whatever reason, shall be limited to an aggregate amount equal to total amount of fees

paid by Parent pursuant to Section 4.1 hereof as of the date of such claim, and Parent waives and releases and shall have no recourse against, Barrington in excess of such amount.

**Section 7.2 Indemnification of Barrington.** Parent hereby agrees to indemnify, defend, reimburse, and hold harmless Barrington and its Affiliates and all of Barrington's and its Affiliates' members, partners, shareholders, directors, managers, officers, employees, agents, consultants and representatives (each, a "Barrington Indemnified Party") from and against any and all Damages asserted against, imposed on, or incurred by a Barrington Indemnified Party, directly or indirectly, arising in whole or in part out of or in connection with the conduct and operation of the business of Parent, its Affiliates or any Covered Station, including Barrington's performance of the Services, except to the extent such Damages arise out of the willful misconduct or gross negligence of Barrington in connection with the performance of the Services.

**Section 7.3 Other Rights and Remedies Not Affected.** The indemnification rights of the parties under this Article 7 are independent of, and in addition to, such rights and remedies as the parties may have at law or in equity or otherwise for any intentional or knowing misrepresentation, breach of warranty or failure to fulfill any agreement or covenant hereunder on the part of any party hereto, including the right to seek specific performance, rescission or restitution, none of which rights or remedies shall be affected or diminished thereby.

**Section 7.4 Survival and Successors and Assigns.** The indemnification obligations of each party pursuant to Article 7 hereof shall survive termination or expiration of this Agreement and shall continue for a period of eighteen (18) months after the effective date of termination or expiration of this Agreement as to the parties and to claims of third parties. The indemnification rights and obligations under this Article 7 shall inure to the benefit of the successors, assigns, heirs, and administrators of any indemnified party hereunder.

## **ARTICLE 8 - GENERAL PROVISIONS**

**Section 8.1 Independent Contractors.** The parties expressly agree that each shall function pursuant to this Agreement, including in connection with the provision of the Services, as independent contractors and no provision of this Agreement shall be construed as creating between the parties hereto any relationship of partners, joint venturers, or principal and agent.

**Section 8.2 Use of Agents.** Barrington shall have the right to designate agents or otherwise subcontract with any third party to perform its obligations under this Agreement; *provided, however*, that the costs and expenses of such agents or third-parties shall be assumed by Barrington and shall not constitute Reimbursable Expenses.

**Section 8.3 Other Interests.** Barrington and its Affiliates may engage in or possess an interest in other business ventures of any nature or description, independently

or with others, whether currently existing or hereafter created, including the ownership or operation of television stations and other media entities.

**Section 8.4 Confidentiality.** During the Term and for a period eighteen months following the expiration or termination thereof, Barrington agrees that it will not, without the prior written consent of Parent, disclose to any Person, or otherwise use other than for the performance of the Services hereunder, any confidential information provided to Barrington in the course of the performance of the Services hereunder; *provided, however*, that in the event that the foregoing shall conflict with the confidentiality provisions of the Peoria-Quincy Agreement, and in connection with any confidential information delivered or obtained in connection with the transactions contemplated by the Peoria-Quincy Agreement, the terms and conditions of such Peoria-Quincy Agreement shall control.

**Section 8.5 Notices.** Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if sent by certified or registered mail, return receipt requested and postage prepaid, hand delivery or overnight delivery service:

If to Barrington, at:

Barrington Broadcasting Company, LLC  
2500 West Higgins Road  
Suite 880  
Hoffman Estates, Illinois 60195  
Attention: K. James Yager

With a copy to:

Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
Attention: Eric Dodson Greenberg, Esq.

If to Parent, at:

Chelsey Broadcasting Company, LLC  
17 Foxhall Place  
Scarsdale, New York 10583  
Attention: Paul S. Goodman  
Chief Executive Officer

With a copy to:

Wachtel & Masyr, LLP  
110 East 59th Street

New York, New York 10022  
Attention: Scott J. Lesser, Esq.

or at such other address as any party may specify by notice given to the other party in accordance with this Section 8.5. The date of the giving of any notice sent by mail shall be three business days following the date of the posting of the mail, if delivered in person, the date delivered in person, or the next business day following delivery to an overnight delivery service.

**Section 8.6 Governing Law.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Illinois applicable to contracts to be performed entirely within that State.

**Section 8.7 Assignments.** This Agreement and the rights and obligations hereunder shall not be assignable or transferable by either party hereto (including in connection with a merger, consolidation, sale of substantially all of the assets of such party or otherwise by operation of law) without the prior written consent of the other party hereto. Any attempted assignment in violation of this Section 8.7 shall be null and void.

**Section 8.8 Binding Effect .** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**Section 8.9 Amendment.** This Agreement may be modified, supplemented or amended only by a written instrument executed by the parties hereto.

**Section 8.10 Waiver.** No waiver of any provision, condition or covenant of this Agreement shall be effective as against the waiving party unless such waiver is in a writing signed by the waiving party. Waiver by a party as provided in this Section 6.9 shall not be construed as or constitute either a continuing waiver of such provision, condition or covenant or a waiver of any other provision, condition or covenant hereof. The failure of any party at any time to require performance by the other party of any provision, condition or covenant of this Agreement shall in no way affect its right thereafter to enforce the provision, condition or covenant or any other provision, condition or covenant.

**Section 8.11 Severability.** If any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the invalidity of any other covenant or provision, each of which is hereby declared to be separate and distinct. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. If any provision of this Agreement is declared invalid or unenforceable for any reason other than overbreadth, the offending provision will be modified so as to maintain the essential benefits of the bargain among the parties hereto to the maximum extent possible, consistent with law and public policy.

**Section 8.12 Entire Agreement.** This Agreement constitutes the entire agreement of the parties (and supersedes any prior understanding of the parties, including with respect to the Letter of Intent) with respect to the subject matter hereof.

**Section 8.13 Counterparts.** This Agreement may be executed in one or more counterparts each of which when taken together shall constitute one agreement. 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 original counterpart of this Agreement.

*[Remainder of page intentionally blank; signature page follows]*



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

CHELSEY BROADCASTING COMPANY, LLC

BARRINGTON BROADCASTING COMPANY, LLC

By: 

Name: Paul S. Goodman

Title: Chief Executive Officer

By: \_\_\_\_\_

Name: K. James Yager

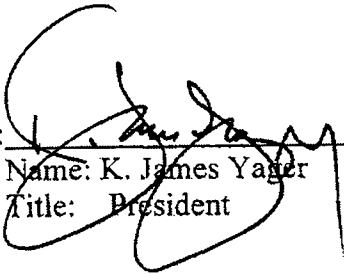
Title: President

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

CHELSEY BROADCASTING COMPANY, LLC

BARRINGTON BROADCASTING COMPANY, LLC

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

By:  \_\_\_\_\_  
Name: K. James Yager  
Title: President

## EXHIBIT 1.1—CERTAIN DEFINED TERMS; CERTAIN INTERPRETATIONS

**I. Certain Defined Terms.** The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

**Accounting Services** has the meaning set forth in Section 3.2(b) hereof.

**Advisory Services** has the meaning set forth in Section 3.2(d) hereof.

**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 hereto.

**Benefits and Insurance Services** has the meaning set forth in Section 3.2(c) hereof.

**Change of Control** means, with respect to a Person (a) the acquisition by, or transfer to, another Person (or Persons acting as a group), which acquirors or transferees do not Control such Person as of the date hereof or (b) a transfer of control within the meaning of the Communications Act and the FCC Rules.

**Communications Act** means the Communications Act of 1934, as amended.

**Control** (including its various tenses and derivatives, such as “Controlled”) means (a) having control, whether direct or indirect, within the meaning of the Communications Act and the FCC Rules, of a Person that is a licensee under the Communications or (b) otherwise having the power to direct the affairs of a Person by reason of either (i) owning or controlling the right to vote a sufficient number of shares of voting stock or other voting interest of such Person or (ii) having the right to direct the general management of the affairs of such Person by contract or otherwise.

**Cornelius** means Christopher Cornelius, for so long as he is an employee of Barrington.

**Covered Station** means each broadcast television station that is Controlled by Parent (or whose licensee is Controlled by Parent) as of the Effective Date and for so long as Parent Controls such station (or the licensee of such station, as the case may be) and for a period of thirty (30) days thereafter, exclusive of any broadcast station otherwise Controlled by Parent which is subject to a local marketing, joint sales or other similar agreement. For convenience of reference, a list of Covered Stations as of the date hereof is set forth on *Schedule 1.1* attached hereto. For the avoidance of doubt, the Peoria-Quincy Stations shall each be deemed to be Covered Stations for the period thirty (30) days following the date of the Peoria-Quincy Closing.

***Damages*** has the meaning set forth in Section 7.1 hereof.

***Effective Date*** has the meaning set forth in the recitals hereto.

***Engineering Services*** has the meaning set forth in Section 3.2(a) hereof.

***FCC*** means the United States Federal Communications Commission.

***FCC Rules*** means applicable rules, regulations and policies of the FCC.

***Law*** means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any governmental authority, including the Communications Act and the FCC Rules.

***Letter of Intent*** means that certain Letter of Intent, by and between Barrington and Parent, with respect to the terms of this Agreement and the Peoria-Quincy Agreement, as amended.

***Barrington*** has the meaning set forth in the preamble hereto.

***Barrington Indemnified Party*** has the meaning set forth in Section 7.2 hereof.

***Office Equipment*** means that certain office equipment, office furniture and computer workstations purchased by Parent from Benedek Broadcasting Corporation originally located at 2894 Greenspoint Parkway, Hoffman Estates, Illinois and currently located at the principal offices of Barrington, but exclusive of the Servers.

***Parent*** has the meaning set forth in the preamble hereto.

***Parent Indemnified Party*** has the meaning set forth in Section 7.1 hereof.

***Past Practice*** has the meaning set forth below in paragraph (d) of Part II of this Exhibit A.

***Peoria-Quincy Agreement*** means that certain Asset Purchase Agreement, by and between Parent, Chelsey Broadcasting Company of Peoria, LLC, Chelsey Broadcasting Company of Quincy, LLC and Pilot, dated as of the date of this Agreement, relating to the sale of substantially all of the assets relating to the Peoria-Quincy Stations.

***Peoria-Quincy Closing*** means the closing and consummation of the transactions contemplated by the Peoria-Quincy Agreement.

**Peoria-Quincy Stations** means (i) KHQA-TV in Hannibal, Missouri/Quincy, Illinois and (ii) WHOI-TV in Peoria-Bloomington, Illinois.

**Person** means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership or other entity or organization.

**Phase 1** has the meaning set forth in Section 2.2(a) hereof.

**Phase 2** has the meaning set forth in Section 2.2(b) hereof.

**Phase 1 Services** has the meaning set forth in Section 3.2 hereof.

**Phase 2 Services** has the meaning set forth in Section 3.3 hereof.

**Pilot** means Pilot TV Acquisition Corporation.

**Regulatory Services** has the meaning set forth in Section 3.2(e) hereof.

**Reimbursable Expenses** has the meaning set forth in Section 4.3 hereof.

**Reimbursement Invoice** has the meaning set forth in Section 4.3 hereof.

**Servers** means (a) that certain application server of Parent relating to accounting and financial programs, (b) that certain file server of Parent, and (c) that certain citrix server of Parent relating to remote-access to a local area network, all used by Barrington in connection with the Services.

**Services** means, individually and collectively, the Phase 1 Services and the Phase 2 Services.

**Station Sale Agreements** means any purchase-and-sale or other similar agreement relating to the sale, transfer and conveyance of any television station owned by Parent or a party Controlled by Parent, including a Covered Station.

**Term** has the meaning set forth in Section 2.1 hereof.

**Transfer Date** means the date upon which the Servers are transferred and conveyed upon exercise of the option granted under Section 4.5 hereof.

**Wind-Up Date** has the meaning set forth in Section 4.5 hereof.

**Wind-Up Services** has the meaning set forth in Section 6.2 hereof.

**Yager** means K. James Yager, for so long as he is an employee of Barrington.

## ***II. Descriptive Headings; Certain Interpretations.***

(a) Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(b) Except as otherwise expressly provided in this Agreement or as the context otherwise requires, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) “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”; (iii) a reference to any contract or other agreement includes permitted supplements and amendments; (iv) a reference to a Law includes any amendment or modification to such Law; (v) a reference to a Person includes its successors, heirs and permitted assigns; (vi) a reference to one gender shall include any other gender; and (vii) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the referenced Article, Section, Exhibit or Schedule of this Agreement.

(c) The parties hereto agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any Law or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(d) The parties acknowledge that each has performed its obligations under this Agreement during the period between the Effective Date and the date hereof and intend that this Agreement, including the nature and scope of the obligations hereunder, the manner of performance and other matters be interpreted and construed in light of the past practice and course of dealing of the parties during such period (“Past Practice”).

**EXHIBIT 4.4**  
**TO MANAGEMENT SERVICES AGREEMENT**  
**FORM OF BILL OF SALE**

**BILL OF SALE**

**THIS BILL OF SALE** dated as of this \_\_\_\_ day of \_\_\_\_, 200\_\_, is being executed and delivered by Chelsey Broadcasting Company, LLC, a Delaware limited liability company having its principal place of business at 17 Foxhall Place, Scarsdale, New York 10583 ("Parent"), pursuant to that certain Management Services Agreement dated as of the \_\_\_\_ day of \_\_\_\_, 200\_\_, (the "Management Agreement"), by and between Parent and Barrington Broadcasting Company, LLC, a Delaware limited liability company having its principal place of business at 2500 West Higgins Road, Suite 880, Hoffman Estates, Illinois 60195 ("Barrington").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parent hereby agree as follows:

(a) Capitalized terms used herein but not defined herein shall have the meanings assigned such terms in the Management Agreement.

(b) Subject to the terms and conditions set forth in the Management Agreement, Parent hereby sells, transfers, conveys, assigns, delivers and sets over to Barrington, and Barrington hereby acquires from Parent, free and clear of any lien or encumbrance of any kind whatsoever, all of Parent's right, title and interest in and to all of the Office Equipment (as defined in the Management Agreement).

(c) From time to time after the date hereof, Parent will execute and deliver, or cause their respective affiliates to execute and deliver, to Barrington such instruments of sale, transfer, conveyance, assignment and delivery, and such consents, assurances, powers of attorney and other instruments as may reasonably be requested by Barrington or its counsel in order to vest in Barrington all right, title and interest of Parent in and to the Management Assets and otherwise in order to carry out the purpose and intent of this Bill of Sale.

(d) Notwithstanding any other provisions of this Bill of Sale to the contrary, nothing contained in this Bill of Sale shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of rights and remedies, and any of the obligations and indemnifications of Parent or Barrington set forth in the Management Agreement including without limitation any limits on indemnification specified therein. This Bill of Sale is intended only to effect the transfer of certain property transferred pursuant to the Management Agreement and shall be governed entirely in accordance with the terms and conditions of the Management Agreement. Except as otherwise provided in the Management Agreement or this Bill of Sale, the Office Equipment is transferred and conveyed "as is."

**SCHEDULE 1.1**  
**TO MANAGEMENT SERVICES AGREEMENT**

**COVERED STATIONS**  
**AS OF THE DATE HEREOF**

KGWN-TV, Cheyenne, Wyoming

WYTV(TV), Youngstown, Ohio

KHQA-TV, Hannibal, Missouri/Quincy, Illinois

WHOI-TV, Peoria-Bloomington, Illinois

KDLH-TV, Duluth, Minnesota