

MEMORANDUM OF UNDERSTANDING

8th THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is made this day of September, 2009, by and among Cunningham Broadcasting Corporation and its subsidiaries ("CBC"), The Carolyn C. Smith Cunningham Trust, The Carolyn Smith's Grandchildren's Trust I, The Carolyn Smith's Grandchildren's Trust II, The Carolyn Smith's Grandchildren's Trust III, and The Carolyn Smith's Grandchildren's Trust IV (collectively, the "CBC Trusts"), and Sinclair Broadcast Group, Inc. on behalf of itself and certain applicable subsidiaries ("SBG"). CBC, the CBC Trusts and SBG are sometimes collectively referred to as the "Parties" in this MOU.

RECITALS

WHEREAS, on June 5, 2009, CBC was declared in default (the "Default") under its bank credit agreement (the "Credit Agreement") with JPMorgan Chase Bank N.A., as Administrative Agent for certain lenders (the "Bank"), for its inability to supply a satisfactory nonqualified audited year-end financial statement in accordance with the requirements of the Credit Agreement;

WHEREAS, (i) the maturity date of all outstanding amounts due under the Credit Agreement was June 30, 2009, (ii) on June 30, 2009, CBC negotiated a thirty (30) day extension of its credit facility and a temporary waiver of the Default in exchange for a higher interest rate (the "Higher Rate") and other concessions, and (iii) the Bank continues to demand that CBC cure the Default and pay off all outstanding amounts due under the Credit Agreement, and has indicated its willingness to enter into a new credit facility with CBC, but only if CBC demonstrates the ability to amortize fully the outstanding principal balance due the Bank periodically over a period not to exceed three (3) years;

WHEREAS, CBC has negotiated an extension of the Credit Agreement and another temporary waiver of the Default to October 31, 2009, in exchange for the following: (i) 


financial concessions;

WHEREAS, CBC's financial ability is severely limited and constrained by the LMAs (as defined in Section 1 of this MOU) and the Option Agreements (as defined in Section 1 of this MOU), which were entered into at a time when the parties to such LMAs and Option Agreements anticipated that each such agreement would be short lived and economically beneficial to the respective parties;

WHEREAS, due to changes in the regulatory environment at the Federal Communications Commission (the "FCC"), which must approve any FCC License transfer in connection with the Acquisition Agreements (as defined in Section 1 of this MOU) or a change of control in connection with the exercise of the Option Agreements (as defined in Section 1 of this MOU), and which monitors the relationship among the Parties under the LMAs, as well as changes in the capital markets, which changes now mandate a restructuring of the parties' relationships under the LMAs, the Acquisition Agreements (as defined in Section 1 of this MOU), and the Option Agreements in order for CBC to preserve its economic viability and sustain its existence, CBC cannot survive without such a restructuring;

WHEREAS, SBG is also suffering financial stress due to changes in the capital markets, general economic conditions, and diminished revenues, but wishes to preserve the LMAs, which positively and materially enhance SBG's revenue and cash flow, as well as maintain its rights under the Acquisition Agreements and the Option Agreements, which are potentially very beneficial to SBG; and

WHEREAS, CBC prefers to continue its relationship with SBG and needs the ability to maximize value and cash flow potential in order to negotiate effectively a new credit facility with the Bank, and SBG and CBC believe that they can accommodate (in large part) their individual and collective needs by amending and restating the LMAs and the Agreements in accordance with the terms of this MOU.

1. **Definitions:** As used in this MOU, the following terms shall have the meaning set forth below. Capitalized terms appearing elsewhere in this MOU shall have the meaning ascribed to such term therein.

"Agreements" means collectively the Acquisition Agreements and the Option Agreements.

"Acquisition Agreements" means collectively, the Merger Agreements and the Asset Purchase Agreements.

"Asset Purchase Agreements" means the Asset Purchase Agreements, each dated July 3, 2002, by and among (i) Feddora, Inc. and WRGT Licensee, LLC (as sellers) and Sinclair, Sinclair Television of Dayton, Inc., and WRGT Licensee, LLC (as buyers); (ii) Feddora, Inc. and WVAH Licensee, LLC (as sellers) and Sinclair, Sinclair Television of Nashville, Inc., and WVAH Licensee, LLC (as buyers); and (iii) Feddora, Inc. and WTAT Licensee, LLC (as sellers) and Sinclair, Sinclair Television of Charleston, Inc., and WTAT Licensee, LLC (as buyers).

"LMAs" means:

(a) a Time Brokerage Agreement dated July 1, 1999, relating to WTAT-TV, as such Agreement has been amended, modified, or supplemented from time to time;

(b) a Time Brokerage Agreement dated May 31, 1996, relating to WMYA-TV, as such Agreement has been amended, modified, or supplemented from time to time;

(c) a Time Brokerage Agreement dated July 1, 1998, relating to WVAH-TV, as such Agreement has been amended, modified, or supplemented from time to time;

(d) a Time Brokerage Agreement dated July 1, 1998, relating to WRGT-TV, as such Agreement has been amended, modified, or supplemented from time to time;

(e) a Programming Services Agreement dated July 24, 1995, relating to WNUV-TV, as such Agreement has been amended, modified, or supplemented from time to time; and

(f) a Programming Services Agreement dated November 5, 1996, relating to WTTE-TV, as such Agreement has been amended, modified, or supplemented from time to time.

"Merger Agreements" means (i) those certain Plans and Agreements of Merger dated July 3, 2002 by and between Columbus (WTTE-TV), Inc. (a CBC Subsidiary) and Baltimore (WNUV-TV), Inc. (a CBC subsidiary) and Sinclair and (ii) that certain Plan and Agreement of Merger dated November 15, 1999, by and among Glencairn, Ltd. (now CBC), Anderson (WFBC-TV), Inc. and Sinclair and Sinclair Acquisition XI, Inc., as such Agreements have been amended, modified, and supplemented from time to time.

"Notes" means the [REDACTED]

"Option Agreements" means those certain Common Voting Capital Stock Option Agreements, each of which is dated May 3, 1995, pursuant to which Sinclair Broadcast Group, Inc. was granted an option to acquire certain shares of capital stock of CBC from Carolyn Smith (now the Carolyn C. Smith Cunningham Trust), the Carolyn Smith's Grandchildren's Trust I, the Carolyn Smith's Grandchildren's Trust II, the Carolyn Smith's Grandchildren's Trust III, and the Carolyn Smith's Grandchildren's Trust IV, as such Agreements have been amended, modified, and supplemented from time to time.

"Stations" means the television stations currently identified by the following call letters: WTAT-TV, WMYA-TV, WVAH-TV, WRGT-TV, WNUV-TV, and WITE-TV.

"Trigger Event" means the refinancing and tender of the Notes substantially as described in SBG's recent filings under the Securities Exchange Act of 1934, the terms of which include an extension of the maturity dates and the extension of any put right of the holders of the Notes for a period of no less than five (5) calendar years subsequent to the closing date of the refinancing or exchange, as applicable.

2. Understandings. The Parties have reached the following understandings with respect to the amendment and restatement of the LMAs and the Agreements:

(a) SBG and CBC agree to amend and restate (the "Restatement") the LMAs and the Agreements, which Restatement shall be held in abeyance until the occurrence of the Trigger Event. Upon the occurrence of the Trigger Event, the Restatement shall become immediately effective.

(b) CBC will have the right to terminate the LMAs and the Agreements upon a "change of control" (meaning the Smith brothers shall no longer own or control at least 51% of the voting power of SBG).

(c) If CBC files for Chapter XI protection in bankruptcy, it will not seek to reject the LMAs or the Agreements (or any one of them) until such time as the Parties have had a reasonable time to negotiate, in good faith, mutually agreeable amendments to such LMAs and Agreements. SBG will reserve all rights to challenge any attempted rejection of the LMAs or the Agreements (or any one of them), should CBC seek such relief in its Chapter XI bankruptcy case.

(d) (i) The current term of the LMAs and the Agreements shall terminate on July 1, 2016, with SBG being granted options to extend the terms of the LMAs and the Agreements for three (3) additional five (5) year terms. In consideration thereof, SBG shall, beginning on January 1, 2010 and ending on October 1, 2012, pay CBC the sum of [REDACTED] which amounts shall be used to pay off CBC's outstanding principal indebtedness and which amounts shall be credited toward the purchase price for any Station that is acquired by SBG (or any permitted assignee) pursuant to an Agreement or the Put Option described in Section 2(g) of this MOU; provided, however, that if CBC seeks to terminate the LMAs and/or the Agreements (or any one of them) for any reason whatsoever, including, without limitation, a "change in control" as defined in Section 2(b) of this MOU, then SBG will have the right to assign the LMAs and/or the Agreements (or any one of them being terminated) to a third party or parties, and following the date of such termination onward, SBG shall have no further obligation to fund any of the quarterly installment payments referenced in this Section 2(d)(i), unless SBG requires additional time to locate a third party transferee, in which case CBC shall grant SBG an extension (the "Extension") of

the termination date for a commercially reasonable period of time to permit SBG to locate such third party transferee. SBG will be obligated to make all periodic payments due under the LMAs or the Agreements until the first to occur of (i) the expiration of the Extension; and (ii) the date that such LMAs and the Agreements (or any one of them) is/are transferred to such third party and such third party assumes (and begins making) any remaining payment obligations under the LMAs and the Agreements and exercises its rights under, and closes on, the Option Agreements or closes on the Acquisition Agreements.

(ii) The Parties agree that as of September 30, 2009, the aggregate purchase price for the Stations pursuant to the Agreements will be approximately [REDACTED] which amount shall be: (A) decreased by each quarterly payment of [REDACTED] payable by SBG pursuant to Section 2(d)(i) of this MOU; and (B) increased on each anniversary of the Trigger Event by an interest payment equal to [REDACTED] price on that date, subject to Section 2(d)(i) of this MOU (the aggregate purchase price, as adjusted from time to time, is referred to herein as the "Aggregate Purchase Price"). The aggregate purchase price for the Stations upon acquisition by SBG shall be allocated as follows: WTAT-TV [REDACTED] WMYA-TV [REDACTED] WVAH-TV [REDACTED] WRGT-TV [REDACTED] WNUV-TV [REDACTED], and WTTB-TV [REDACTED] (the "Allocation").

(e) Beginning on October 1, 2012, and continuing thereafter during the terms of the LMAs (or any Extensions thereto), SBG shall pay to CBC an annual LMA fee (the "LMA Fee") for the Stations equal to the greater of (i) [REDACTED] Station's annual net broadcast revenue (to be mutually agreed upon and defined in the Restatement) and (ii) [REDACTED] (if one or more Stations are purchased by SBG, to be reduced proportionally (A) for the interest component of the LMA Fee based on the Allocation and (B) for the remainder of the LMA Fee based on the net revenues from each such Station, based on the prior year's performance). For the first year, the LMA Fee shall be apportioned among the Stations in accordance with the Allocation. The LMA Fee shall increase every five (5) years during the LMA term or any extension thereof, by an amount equal to the increase in the Cost of Living Index – All Items for all U.S. Cities, as published by the U.S. Department of Labor. After the first year, the LMA Fee shall be allocated among the Stations in accordance with the net revenues from each such Station, based on the prior year's performance. Additionally, CBC and SBG have agreed that the LMA Fee shall be allocated as follows: (i) a portion equal to [REDACTED] shall be allocated to the payment of interest on the [REDACTED] of the LMA Fee would be allocated to interest); and (ii) the remainder as a fee to CBC for services provided under the LMAs. The Parties agree that after the \$33 million payable pursuant to Section 2(d)(i) is paid in full, and as long as the LMA Fee is paid each year, the Aggregate Purchase Price shall no longer increase in the manner provided in Section 2(d)(ii)(B) because the 6% interest due on the Aggregate Purchase Price will be paid in full each year from the LMA Fee.

(f) SBG shall pay to CBC: (i) the amount of the legal fees of, and costs expended by, Thomas & Libowitz, P.A. in connection with its work involved in CBC's refinancing of its currently expired credit facility (the "Refinancing") and in the negotiation and drafting of the Restatement; [REDACTED] which is the 2009 salary of CBC's new CEO; and (iii) a one-time consulting fee for George Cox relating to his work on the Refinancing and the Restatement [REDACTED]

(g) CBC shall be granted a put option (the "Put Option"), which will require SBG to purchase the Stations at the termination of the initial term of the LMAs or at the option of CBC, at the expiration of any renewal term (see Section 2(d)(i) of this MOU). In the event that CBC exercises the Put Option and SBG cannot acquire the Stations as a result of FCC rules or for any other reason, then SBG will have the right to assign its obligation to acquire the Stations to a third party, provided, however, that, in such an occurrence, SBG shall be obligated to pay CBC (or cause the third party to pay) the remaining purchase price due for each Station.

(h) In the event that CBC exercises the Put Option, the purchase price for the Station or Stations acquired shall be the lesser of (i) the Aggregate Purchase Price (or the proportionate purchase price for such Station or Stations as determined according to the Allocation), and (ii) the fair market value of the Station or Stations, as applicable, at the time of exercise as determined by an appraisal, the procedure for which shall be set forth in the Restatement.

(i) In addition to the Restatement of the LMAs and the Agreements, SBG and CBC have also agreed that in the Restatement of the Option Agreements they will adjust the purchase prices thereunder to make them consistent with the purchase prices and terms contained in the Restatement of the Acquisition Agreements. In this regard and to that end, the Option Agreement purchase price for each Station owned by CBC shall be established using the calculations set forth in the Acquisition Agreements. The parties also agree that in the event that SBG decides to acquire one or more of the Stations pursuant to the Acquisition Agreements, CBC may, in its sole and complete discretion, cause SBG to acquire the stock of the CBC subsidiary or subsidiaries that holds the applicable Station or Stations, in lieu of an acquisition of the assets of the Stations pursuant to the Acquisition Agreements and require the purchase price to be paid in cash, not SBG stock.

(j) In consideration for SBG granting CBC a "change of control" right, CBC shall provide SBG with a prospective liquidated damages provision in the appropriate Agreements that shall entitle SBG to the payment of liquidated damages in the event CBC terminates the Agreements for any reason other than a termination resulting from the exercise of the Put Option but, including, without limitation, a change of control as provided in Section 2(b) of this MOU, except that SBG shall not be entitled to the payment of any such liquidated damages for any termination by CBC that is determined to have resulted from a material breach, act, or omission by SBG. The liquidated damages shall be in an amount equal to all payments made by SBG to CBC

that have decreased the Aggregate Purchase Price of the Stations pursuant to Section 2(d)(ii) of this MOU, not to exceed [REDACTED]

(k) During the period that the Notes are still an outstanding obligation of SBG (or any of its subsidiaries), CBC agrees that (other than for obligations for borrowed funds currently outstanding and as otherwise permitted by this Section 2(k)) it will not seek to borrow any other money without the consent of SBG, which consent shall not be unreasonably withheld or delayed, it being understood that if SBG's other creditors are required to approve the terms of any such borrowing under the terms of any agreements with SBG and such creditors do not approve of any such borrowing, SBG may withhold its approval without having been deemed to have unreasonably withheld or delayed its consent. This restriction on additional CBC borrowings shall not apply to the following, for which CBC does not need SBG's consent: (i) approximately \$ [REDACTED] for the acquisition of certain television stations located in Syracuse (New York), Paducah (Kentucky), Cedar Rapids (Iowa), Birmingham (Alabama), and Nashville (Tennessee) currently programmed by SBG pursuant to certain NON-CBC LMAs (or similar agreements) and for which SBG has freely assignable purchase option agreements that it cannot currently exercise; and (ii) any amounts totaling [REDACTED] in the aggregate.

(l) Additionally, CBC agrees to the following: (i) upon the request of SBG, CBC will acquire from SBG for nominal consideration of \$100 per station certain options and other agreements owned by SBG that permit SBG to acquire certain television stations located in Syracuse (New York), Paducah (Kentucky), Cedar Rapids (Iowa), Birmingham (Alabama), and Nashville (Tennessee) that are currently programmed by SBG pursuant to certain Non-CBC LMAs; and (ii) to immediately exercise the rights to acquire such television stations, to the extent financing is available on reasonable terms and conditions, and, subject to FCC approval, acquire the stations. Immediately following CBC's acquisition of these stations, CBC and SBG agree to enter into LMA agreements for each of the stations, whereby SBG shall pay the operating cost of each station, plus an amount equal to the interest paid by CBC to its lender(s) on borrowed funds for CBC's acquisition of the stations, plus \$ [REDACTED]. Lastly, CBC shall grant SBG an option to acquire each of the stations for an amount equal to the amount paid by CBC for each station.

(m) In addition to the Restatement of the Option Agreements, CBC agrees to grant to SBG an option to acquire all of the issued and outstanding stock of each subsidiary of CBC on terms and conditions substantially similar to the Option Agreements, as restated, in order to implement Section 2(i) of this MOU.

3. Effect of MOU. The Parties agree to negotiate in good faith restatements and amendments of the LMAs and the Agreements so as to implement the understandings contained in this MOU. Except for the preceding sentence and Sections 5, 6 and 7 of this MOU, which are intended to be binding upon the Parties, the Parties shall not be legally bound by the terms of this MOU and shall only be legally bound by the terms of the definitive agreements that will be negotiated to implement the terms of this MOU.

4. Counterparts. This MOU may be signed in two or more counterparts with the same effect as if the signature on each counterpart were upon the same investment.

5. Assignment. This MOU may not be assigned to a third party without the consent of the non-assigning party; provided, however, that SBG may assign this MOU to any of its subsidiaries without obtaining such consent, but, in the event of such an assignment SBG will remain liable for its obligations under this MOU.

6. Use of MOU. It is the intention of the Parties that this MOU will be disclosed to the Parties' shareholders, lenders, and note holders, and the Parties hereto specifically consent to such disclosure of this MOU.

7. Public Announcement/Regulatory Filings. The Parties to this MOU may disclose publicly the understandings set forth in this MOU to the extent required by law.

*[THE SIGNATURES OF THE PARTIES TO THIS MOU APPEAR ON THE
IMMEDIATELY FOLLOWING PAGE]*

IN WITNESS WHEREOF, each of the parties has executed this Memorandum of Understanding all as of the day and year first above written.

WITNESS:

CUNNINGHAM BROADCASTING CORPORATION

By: _____
Name: Michael E. Anderson
Title: President

Rebecca Anderson

George Cox
George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust I

Rebecca Anderson

George Cox
George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust II

Rebecca Anderson

George Cox
George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust III

Jeffrey C. Mason, as Trustee for
Carolyn C. Smith's Grandchildren's Trust IV

Carolyn C. Smith, as Trustee for the
Caroline C. Smith Cunningham Trust

SINCLAIR BROADCAST GROUP, INC.

By: Daniel C. North
Name: Daniel C. North
Title: Spinnaker

Daniel C. North

IN WITNESS WHEREOF, each of the parties has executed this Memorandum of Understanding all as of the day and year first above written.

WITNESS:

CUNNINGHAM BROADCASTING CORPORATION

By: _____
Name: Michael E. Anderson
Title: President

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust I

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust II

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust III

Patricia West

Jeffrey C. Mason
Jeffrey C. Mason, as Trustee for
Carolyn C. Smith's Grandchildren's Trust IV

Carolyn C. Smith, as Trustee for the
Caroline C. Smith Cunningham Trust

SINCLAIR BROADCAST GROUP, INC.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each of the parties has executed this Memorandum of Understanding all as of the day and year first above written

WITNESS:

CUNNINGHAM BROADCASTING CORPORATION

By: M. E. Anderson
Name: Michael E Anderson
Title: President

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust I

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust II

George Cox, as Trustee for
Carolyn C. Smith's Grandchildren's Trust III

Jeffrey C. Mason, as Trustee for
Carolyn C. Smith's Grandchildren's Trust IV

Carolyn C. Smith, as Trustee for the
Caroline C. Smith Cunningham Trust

SINCLAIR BROADCAST GROUP, INC.

By: _____
Name: _____
Title: _____