NEXSTAR BROADCASTING INC
Form 424B3
January 05, 2010
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Registration Nos. 333-163854
and 333-163854-01

PROSPECTUS DECEMBER 31, 2009

$42,628,184

NEXSTAR BROADCASTING, INC.

Exchange Offer for

Senior Subordinated PIK Notes due 2014

Offer for outstanding Senior Subordinated PIK Notes due 2014, in the aggregate principal amount of $42,628,184 (which we refer to as the Old Notes) in exchange for up to $42,628,184 aggregate principal amount of Senior Subordinated PIK Notes due 2014 which have been registered under the Securities Act of 1933, as amended, (which we refer to as the New Notes).

Terms of the Exchange Offer:

Expires 5:00 p.m., New York City time, February 3, 2010, unless extended.

Not subject to any condition other than that the exchange offer does not violate applicable law or any interpretation of the staff of the Securities and Exchange Commission.

Nexstar Broadcasting, Inc. (Nexstar) can amend or terminate the exchange offer.

Nexstar will exchange all Senior Subordinated PIK Notes due 2014 that are validly tendered and not validly withdrawn.

Nexstar will not receive any proceeds from the exchange offer.

The exchange of notes will not be a taxable exchange for United States federal income tax purposes.

You may withdraw tendered outstanding Old Notes any time before the expiration of the exchange offer.

Terms of the New Notes:

The New Notes will be general unsecured senior subordinated obligations of Nexstar and will be subordinated to all of Nexstar s senior debt.

The guarantees will be general unsecured senior subordinated obligations of the guarantors and will be subordinated to all senior debt of the guarantors. **However, Nexstar Broadcasting Group, Inc., Nexstar s ultimate parent will not be considered a guarantor (as defined in the indenture) for any purpose under the indenture and, therefore, will not be subject to the indenture.**

The New Notes mature on January 15, 2014. The New Notes will bear interest at: (a) 12% per annum from June 30, 2008 to January 15, 2010, payable entirely during such period by increasing the principal amount of the Notes by an amount equal to the amount of interest then due (Payment- in-Kind Interest); (b) 13% per annum, payable entirely in cash, from January 16, 2010 to July 15, 2010; (c) 13.5% per annum, payable entirely in cash, from July 16, 2010 to January 15, 2011; (d) 14.0% per annum, payable entirely in cash, from January 16, 2011 to July 15, 2011; (e) 14.5% per annum, payable entirely in cash, from July 16, 2011 to January 15, 2012; and (f) 15% per annum, payable entirely in cash, thereafter.

Nexstar may redeem the New Notes at any time on or after October 1, 2008.

Upon a change of control, Nexstar may be required to offer to repurchase the New Notes.

The terms of the New Notes are identical to Nexstar s outstanding Old Notes except for transfer restrictions and registration rights.

For a discussion of specific risks that you should consider before tendering your outstanding Senior Subordinated PIK Notes due 2014 in the exchange offer, see Risk Factors beginning on page 8.

There is no public market for Nexstar s outstanding Senior Subordinated PIK Notes due 2014 or the New Notes. However, you may trade Nexstar s outstanding Senior Subordinated PIK Notes due 2014 in the Private Offering Resale and Trading through Automatic Linkages, or PORTAL , market.

Each broker-dealer that receives New Notes pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the New Notes. A broker dealer who acquired Old Notes as a result of market making or other trading activities may use this exchange offer prospectus, as supplemented or amended, in connection with any resales of the New Notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the New Notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 31, 2009

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. The selling noteholders are offering to sell, and seeking offers to buy, Senior Subordinated PIK Notes due 2014 only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Senior Subordinated PIK Notes due 2014.

Each broker-dealer that receives new securities for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of these new securities. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new securities received in exchange for securities where those securities were acquired by this broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date and ending on the close of business 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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As used in this prospectus and unless the context indicated otherwise, Notes refers, collectively, to our Old Notes and New Notes.

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PROSPECTUS SUMMARY

As used in this prospectus, references to the Company, we, us, and our refer to Nexstar Broadcasting, Inc. and its subsidiaries, unless the context otherwise requires. Unless specified, all financial information in this prospectus is information regarding Nexstar Broadcasting Group, Inc. and its consolidated subsidiaries and Mission Broadcasting, Inc. (Mission). This prospectus includes specific terms of the New Notes we are offering as well as information regarding our business and detailed financial data. For a more complete understanding of this offering, we encourage you to read this prospectus in its entirety.

Nexstar Broadcasting Group currently owns, operates, programs or provides sales and other services to 63 television stations (inclusive of the digital multi-channels) in 34 markets in the states of Illinois, Indiana, Maryland, Missouri, Montana, Texas, Pennsylvania, Louisiana, Arkansas, Alabama, New York, Rhode Island, Utah and Florida. Nexstar s television station group includes affiliates of NBC, CBS, ABC, FOX, MyNetworkTV and The CW and reaches approximately 13 million viewers or approximately 11.5% of all U.S. television households.

Our principal offices are at 5215 North O Connor Boulevard, Suite 1400, Irving, Texas 75039. Our telephone number is (972) 373-8800 and our website is www.nexstar.tv.

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Purpose of the Exchange Offer

On June 30, 2008, we sold, through a private placement exempt from the registration requirements of the Securities Act, $42,628,184 of our Senior Subordinated PIK Notes due 2014, all of which are eligible to be exchanged for New Notes. We refer to these notes as Old Notes in this prospectus. The Old Notes are subject to transfer restrictions until we consummate this exchange offer or they are resold under a shelf registration statement.

Simultaneously with the private placement, we entered into a registration rights agreement with the initial purchasers of the Old Notes. Under the registration rights agreement, we are required to use our reasonable best efforts to cause a registration statement for substantially identical Notes, which will be issued in exchange for the Old Notes, to be filed as soon as practicable after June 30, 2008, but in no event later than December 31, 2009. We refer to the Notes to be registered under this exchange offer registration statement as New Notes and collectively with the Old Notes, we refer to them as the Notes in this prospectus. You may exchange your Old Notes for New Notes in this exchange offer. You should read the discussion under the headings Summary of the Exchange Offer, The Exchange Offer and Description of the New Notes for further information regarding the New Notes.

We did not register the Old Notes under the Securities Act or any state securities law, nor do we intend to after the exchange offer. As a result, the Old Notes may only be transferred in limited circumstances under the securities laws. If the holders of the Old Notes do not exchange their Old Notes in the exchange offer, they lose their right to have the Old Notes registered under the Securities Act, subject to certain limitations. Anyone who still holds Old Notes after the exchange offer may be unable to resell their Old Notes.

Summary of the Exchange Offer

The Exchange Offer

Securities Offered	$42,628,184 principal amount of Senior Subordinated PIK Notes due 2014. The Notes are subject to transfer restrictions until we consummate this exchange offer or they are resold under a shelf registration statement.
The Exchange Offer	Nexstar is offering to exchange the Old Notes for a like principal amount at maturity of the New Notes. Old Notes may be exchanged only in integral principal at maturity multiples of $1,000. This exchange offer is being made pursuant to a registration rights agreement dated as of June 30, 2008, which granted the initial purchasers and any subsequent holders of the Old Notes certain exchange and registration rights. This exchange offer is intended to satisfy those exchange and registration rights with respect to the Old Notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your Old Notes.
Expiration Date; Withdrawal of Tender	Nexstar s exchange offer will expire 5:00 p.m. New York City time, on February 3, 2010, or a later time if we choose to extend this exchange offer. You may withdraw your tender of Old Notes at any time prior to the expiration date. All outstanding Old Notes that are

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validly tendered and not validly withdrawn will be exchanged. Any Old Notes not accepted by us for exchange for any reason will be returned to you at our expense as promptly as possible after the expiration or termination of the exchange offer.

Resales

We believe that you can offer for resale, resell and otherwise transfer the New Notes without complying with the registration and prospectus delivery requirements of the Securities Act if:

- you acquire the New Notes in the ordinary course of business:
- you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the New Notes;
- you are not an affiliate of Nexstar, as defined in Rule 405 of the Securities Act; and
- you are not a broker-dealer.

If any of these conditions is not satisfied and you transfer any New Notes without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. Nexstar does not assume or indemnify you against this liability.

Each broker-dealer acquiring New Notes issued for its own account in exchange for Old Notes, which it acquired through market-making activities or other trading activities, must acknowledge that it will deliver a proper prospectus when any New Notes issued in the exchange offer are transferred. A broker-dealer may use this prospectus for an offer to resell, a resale or other retransfer of the New Notes issued in the exchange offer.

Conditions to the Exchange Offer

Nexstar s obligation to accept for exchange, or to issue the New Notes in exchange for, any Old Notes is subject to certain customary conditions relating to compliance with any applicable law, or any applicable interpretation by any staff of the Securities and Exchange Commission, or any order of any governmental agency or court of law. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See The Exchange Offer Conditions to the Exchange Offer.

Procedures for Tendering Notes Held in the Form of Book-Entry Interests

The Old Notes were issued as global securities and were deposited upon issuance with The Bank of New York. The Bank of New York issued certificateless depositary interests in those outstanding Old Notes, which represent a 100% interest in those Old Notes, to The Depositary Trust Company.

Beneficial interests in the outstanding Old Notes, which are held by direct or indirect participants in the Depository Trust Company, are

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	shown on, and transfers of the Old Notes can only be made through, records maintained in book-entry form by The Depository Trust Company.

You may tender your outstanding Old Notes by instructing your broker or bank where you keep the Old Notes to tender them for you. In some cases you may be asked to submit the BLUE-colored Letter of Election and Instructions to Brokers or Bank that may accompany this prospectus. By tendering your Old Notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under The Exchange Offer. Your outstanding Old Notes will be tendered in multiples of $1,000.

A timely confirmation of book-entry transfer of your outstanding Old Notes into the exchange agent s account at The Depository Trust Company, under the procedure described in this prospectus under the heading The Exchange Offer must be received by the exchange agent on or before 5:00 p.m., New York City time, on the expiration date.

United States Federal Income Tax Considerations	The exchange offer should not result in any income, gain or loss to the holders of Old Notes or to us for United States federal income tax purposes. See Certain United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the New Notes in the exchange offer.
Exchange Agent	The Bank of New York is serving at the exchange agent for the exchange offer.
PORTAL Market	There is no public market for Nexstar s outstanding Senior Subordinated PIK Notes due 2014 or the New Notes.
Shelf Registration Statement	In limited circumstances, holders of Old Notes may require Nexstar to register their Old Notes under a shelf registration statement.

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The New Notes

The form and terms of the New Notes are the same as the form and terms of the Old Notes, except that the New Notes will be registered under the Securities Act. As a result, the New Notes will not bear legends restricting their transfer and will not contain the registration rights and liquidated damage provisions contained in the Old Notes. The New Notes represent the same debt as the Old Notes. The Old Notes and the New Notes are governed by the same indenture and are together considered a series of securities under that indenture. Unless the context indicates otherwise, we use the term Notes in this prospectus to refer collectively to the Old Notes and the New Notes.

Issuer	Nexstar Broadcasting, Inc.
The New Notes	$42,628,184 principal amount of Senior Subordinated PIK Notes due 2014. The Notes are subject to transfer restrictions until we consummate this exchange offer or they are resold under a shelf registration statement.
Maturity	January 15, 2014.
Interest Rate	The New Notes will bear interest at: (a) 12% per annum from June 30, 2008 to January 15, 2010, payable entirely during such period by increasing the principal amount of the Notes by an amount equal to the amount of interest then due (Payment-in-Kind Interest); (b) 13% per annum, payable entirely in cash, from January 16, 2010 to July 15, 2010; (c) 13.5% per annum, payable entirely in cash, from July 16, 2010 to January 15, 2011; (d) 14.0% per annum, payable entirely in cash, from January 16, 2011 to July 15, 2011; (e) 14.5% per annum, payable entirely in cash, from July 16, 2011 to January 15, 2012; and (f) 15% per annum, payable entirely in cash, thereafter.
Interest Payment Dates	January 15 and July 15

First payment: July 15, 2010.

Denominations	$1,000 minimum and $1,000 integral multiples thereof.
Guarantees	The Notes will be fully and unconditionally, jointly and severally guaranteed on a senior subordinated basis by:

- Nexstar Broadcasting Group, Inc., Nexstar s ultimate parent; **however, Nexstar Broadcasting Group, Inc. will not be considered a guarantor (as defined in the indenture) for any purpose under the indenture and, therefore, will not be subject to the indenture**; and

- all of Nexstar s future domestic subsidiaries.

Of all of our consolidated entities, the only one that does not guarantee the Notes is Nexstar s direct parent, Nexstar Finance Holdings, Inc.

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Ranking	The Notes and the guarantees are senior subordinated obligations. Accordingly, they will rank: behind all of Nexstar s and the guarantors existing and future senior debt; equally with all of Nexstar s and the guarantors existing and future unsecured senior subordinated obligations that do not expressly provide that they are subordinated to the Notes and the guarantees, respectively; and ahead of any of Nexstar s and the guarantors future debt that expressly provides that it is subordinated to the Notes.
Optional Redemption	See Description of the New Notes Optional Redemption.
Mandatory Repurchase Offer	If Nexstar or any of their restricted subsidiaries sell certain assets or if Nexstar experiences specific kinds of changes of control, Nexstar must offer to repurchase the Notes at the prices listed under Description of the New Notes Repurchase at the Option of Holders.
Certain Covenants	We will issue the notes under an indenture (and a supplemental indenture thereto) with The Bank of New York, which will initially act as trustee on your behalf. The Indenture governing the Notes will, among other things, restrict the ability of Nexstar and its subsidiaries to: incur or guarantee additional indebtedness; pay dividends or distributions on, or redeem or repurchase, capital stock; make investments; engage in transactions with affiliates; transfer or sell assets; incur liens or enter into any sale/leaseback transactions; and consolidate, merge or transfer all or substantially all of their assets.
Use of Proceeds	We will not receive any proceeds from the issuance of the New Notes pursuant to the exchange offer. We will pay all of our expenses incident to the exchange offer.

Risk Factors	Investing in the Notes involves substantial risks. See Risk Factors for a description of certain of the risks you should consider before investing in the Notes.

The Notes will not be entitled to the benefit of any mandatory sinking fund.

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For more complete information about the Notes, see the Description of the New Notes section of this prospectus.

Our executive offices are located at 5215 North O Connor Boulevard, Suite 1400, Irving, Texas 75039, and our telephone number is (972) 373-8800.

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RISK FACTORS

An investment in the notes is subject to numerous risks, including those listed below. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. You should carefully consider the following risks, along with the information provided elsewhere in this prospectus. These risks could materially affect our ability to meet our obligations under the notes. You could lose all or part of your investment in, and the expected return on, the notes.

Risks Related to the New Notes

Because there is no public market for the New Notes, you may not be able to sell your New Notes.

The New Notes will be registered under the Securities Act of 1933, as amended, or the Securities Act, but will constitute a new issue of securities with no established trading market, and uncertainty exists with regard to:

- the liquidity of any trading market that may develop;
- the ability of holders to sell their New Notes; or
- the price at which the holders would be able to sell their New Notes.

If a trading market were to develop, the New Notes might trade a higher or lower prices than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar securities and our financial performance.

Any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act, and may be limited during the exchange offer or the pendency of an applicable shelf registration statement. An active trading market might not exist for the New Notes and any trading market that does develop might not be liquid.

In addition, any holder of Old Notes who tenders in the exchange offer for the purpose of participating in a distribution of the New Notes may be deemed to have received restricted securities, and if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Your Old Notes will not be accepted for exchange if you fail to follow the exchange offer procedures.

We will issue New Notes pursuant to this exchange offer only after a timely receipt of your Old Notes (including timely notation in book-entry form). Therefore, if you want to tender your Old Notes, please allow sufficient time to ensure timely delivery. If we do not receive your Old Notes, by the expiration date of the exchange offer, we will not accept your Old Notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of Old Notes for exchange. If there are defects or irregularities with respect to your tender of Old Notes, we will not accept your Old Notes for exchange.

If you do not exchange your Old Notes, your Old Notes will continue to be subject to the existing transfer restrictions and you may be unable to sell your Old Notes.

We did not register the Old Notes, nor do we intend to do so following the exchange offer. The Old Notes that are not tendered will, therefore, continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. If you do not exchange your Old Notes, you will be subject to existing transfer restrictions. As a result, if you hold Old Notes after the exchange offer, you may be unable to sell your Old Notes. If a large number of outstanding Old Notes are exchanged for New Notes issued in the exchange offer, it may be difficult for holders of outstanding Old Notes that are not exchanged in

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the exchange offer to sell their Old Notes, since those Old Notes may not be offered or sold unless they are registered or there are exemptions from registration requirements under the Securities Act or state laws that apply to them. In addition, if there are only a small number of Old Notes outstanding, there may not be a very liquid market in those Old Notes. There may be few investors that will purchase unregistered securities in which there is not a liquid market.

If you exchange your Old Notes, you may not be able to resell the New Notes you receive in the exchange offer without registering them and delivering a prospectus.

You may not be able to resell New Notes you receive in the exchange offer without registering those New Notes or delivering a prospectus. Based on interpretations by the Commission in no-action letters, we believe, with respect to New Notes issued in the exchange offer, that:

- holders who are not affiliates of Nexstar within the meaning of Rule 405 of the Securities Act;
- holders who acquire their New Notes in the ordinary course of business;
- holders who do not engage in, intend to engage in, or have arrangements to participate in a distribution (within the meaning of the Securities Act) of the New Notes; and
- are not broker-dealers

do not have to comply with the registration and prospectus delivery requirements of the Securities Act.

Holders described in the preceding sentence must tell us in writing at our request that they meet these criteria. Holders that do not meet these criteria could not rely on interpretations of the SEC in no-action letters, and would have to register the New Notes they receive in the exchange offer and deliver a prospectus for them. In addition, holders that are broker-dealers may be deemed underwriters within the meaning of the Securities Act in connection with any resale of New Notes acquired in the exchange offer. Holders that are broker-dealers must acknowledge that they acquired their outstanding New Notes in market-making activities or other trading activities and must deliver a prospectus when they resell New Notes they acquire in the exchange offer in order not to be deemed an underwriter.

Risks Related to The Offering

Our substantial debt could limit our ability to grow and compete.

We have a significant amount of indebtedness. Our substantial indebtedness could have important consequences to our business. For example, it could:

limit our ability to borrow additional funds or obtain additional financing in the future;

limit our ability to pursue acquisition opportunities;

expose us to greater interest rate risk since the interest rate on borrowings under our senior credit facility is variable;

limit our flexibility to plan for and react to changes in our business and our industry; and

impair our ability to withstand a general downturn in our business and place us at a disadvantage compared to our competitors that are less leveraged.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations included in this prospectus.

In addition, our and Mission s high level of debt requires us and Mission to dedicate a substantial portion of cash flow to pay principal and interest on debt which will reduce the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes. We and Mission could also incur additional debt in the future. The terms of our and Mission s senior credit facilities, as well as the indentures governing our outstanding notes (including Nexstar Finance Holdings senior discount notes and Nexstar s senior subordinated notes), limit, but do not prohibit us or Mission from incurring substantial amounts of additional debt. To the extent we or Mission incur additional debt, we would become even more susceptible to the leverage-related risks described above.

The agreements governing our and Mission s debt contain various covenants that limit our management s discretion in the operation of our business.

Our and Mission s senior credit facilities and the indentures governing our outstanding notes contain various covenants that restrict our and Mission s ability and the ability of our and Mission s subsidiaries to, among other things:

- incur additional debt and issue preferred stock;
- pay dividends and make other distributions;
- make investments and other restricted payments;
- make acquisitions;
- merge, consolidate or transfer all or substantially all of our assets;
- enter into sale and leaseback transactions;
- create liens;
- sell assets or stock of our subsidiaries; and
- enter into transactions with affiliates.

In addition, our senior credit facility requires us to maintain or meet certain financial ratios, including consolidated leverage ratios and interest coverage ratios. Future financing agreements may contain similar, or even more restrictive, provisions and covenants. As a result of these restrictions and covenants, our management s ability to operate our business in its discretion is limited, and we may be unable to compete effectively, pursue acquisitions or take advantage of new business opportunities, any of which could harm our business. Mission s senior credit facility contains similar terms and restrictions.

If we, Mission or any of our respective subsidiaries fails to comply with the restrictions in present or future financing agreements, a default may occur. A default could allow creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. A default could also allow creditors to foreclose on any collateral securing such debt. We may not have, or be able to obtain, sufficient funds to make accelerated payments, including payments on the Notes, or to repay the Notes in full after we pay our senior debt in full. See Description of the New Notes.

Ability to Service Debt To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to pay the principal of and interest on the Notes, to service our other debt and to finance indebtedness when necessary depends on our financial and operating performance, each of which is subject to prevailing economic conditions and to financial, business, legislative and regulatory factors as well as other factors beyond our control. We cannot assure you that we will generate sufficient cash flow from operations or that we will be able to obtain sufficient funding to satisfy all of our obligations, including the Notes. If we are unable to pay our obligations as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. However, we cannot assure you that any alternative strategies will be feasible at the time or prove adequate. Also, some alternative strategies will require the consent of our lenders before we engage in those strategies. In addition, the ability to borrow funds under our senior credit facility in the future will depend on our

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meeting the financial covenants in the agreements governing this facility, including a minimum interest coverage test and a maximum leverage ratio test. We cannot assure you that our business will generate cash flow from operations or that future borrowings will be available to us under our senior credit facility, in an amount sufficient to enable us to pay our debt or to fund other liquidity needs. As a result, we may need to refinance all or a portion of our debt on or before maturity; however, we may not be able to refinance our debt on acceptable terms or at all.

Subordination Your right to receive payment on the Notes and the guarantees is junior to all of Nexstar s and the guarantors senior debt.

By their express terms, the Notes and the guarantees will be junior in right of payment to all of Nexstar s and the guarantors existing and future senior debt, including obligations under Nexstar s and Mission s senior credit facilities. If Nexstar or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, Nexstar s or such guarantor s senior debt will be entitled to be paid in full from Nexstar s assets or the assets of the guarantor, as applicable, before any payment may be made with respect to the Notes or the affected guarantees. In any of the foregoing events, we cannot assure you that we would have sufficient assets to pay amounts due on the Notes after paying Nexstar s and the guarantors senior debt in full. As a result, holders of the Notes may receive less, proportionally, than the holders of debt senior to the Notes and the guarantees. The subordination provisions of the indenture governing the Notes and the guarantees also provide that we and the guarantors can make no payment to you during the continuance of payment defaults on Nexstar s and the guarantors senior debt, and payments to you may be suspended for a period of up to 179 days if a nonpayment default exists under Nexstar s and the guarantors senior debt. See Description of the New Notes Subordination.

In addition, the indenture governing the Notes and the credit agreements governing Nexstar s and Mission s senior credit facilities permit, subject to specified limitations, the incurrence of additional debt, some or all of which may be senior debt.

Fraudulent Conveyance Matters Federal and state statutes allow courts, under specific circumstances, to void guarantees, subordinate claims in respect of the Notes and require Nexstar s noteholders to return payments received from guarantors.

Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of the Notes or a guarantee could be subordinated to all of Nexstar s other debts or all other debts of any guarantor if, among other things, Nexstar or the guarantor was insolvent or rendered insolvent by reason of such incurrence, or Nexstar or the guarantor were engaged in a business or transaction for which Nexstar s or the guarantor s remaining assets constituted unreasonably small capital; or Nexstar or the guarantor intended to incur or believed that Nexstar or it would incur, debts beyond Nexstar s or its ability to pay those debts as they mature. In addition, any payment by Nexstar or that guarantor in accordance with its guarantee could be voided and required to be returned to Nexstar or the guarantor, or to a fund for the benefit of Nexstar s creditors or the creditors of the guarantors.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assists, or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature, or it would not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, Nexstar believes that Nexstar and each guarantor, after giving effect to its guarantee of the Notes, will not be insolvent, will not have unreasonably small capital for the business in which Nexstar and they are engaged and will not have

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incurred debts beyond Nexstar s or their ability to pay the debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions.

Risks Related to Our Operations

The continued economic slowdown in the United States and the national and world-wide financial crisis may adversely affect our results of operations, cash flows and financial condition. Among other things, these negative economic trends could adversely affect demand for television advertising, reduce the availability, and increase the cost, of short-term funds for liquidity requirements, and adversely affect our ability to meet long-term commitments. In addition, general trends in the television industry could adversely affect demand for television advertising as consumers flock to alternative media, including the Internet, for entertainment.

The continued economic slowdown in the United States is likely to adversely affect our results of operations and cash flows by, among other things, reducing demand for local and national television advertising and making it more difficult for customers to pay their accounts. Moreover, television viewing among consumers has been negatively impacted by the increasing availability of alternative media, including the Internet. As a result, in recent years demand for television advertising has been declining and demand for advertising in alternative media has been increasing, and we expect this trend to continue. Our ability to access funds under the Nexstar Senior Credit Facility (Nexstar Facility) depends, in part, on our compliance with certain financial covenants in the Nexstar Facility, including covenants based on EBITDA as defined in the Nexstar Facility. If our EBITDA is not sufficient to ensure compliance with these covenants, we might not be able to draw down funds under our revolving credit facility or it might be considered an event of default under the Nexstar Facility.

Disruptions in the capital and credit markets, as have been experienced during 2009 and may continue in 2010, could adversely affect our ability to draw on our bank revolving credit facilities. Our access to funds under the revolving credit facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding commitments. Those banks may not be able to meet their funding commitments to us if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from us and other borrowers within a short period of time.

Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital expenditures and other discretionary uses of cash.

We and Mission have a history of net losses.

We and Mission had aggregate net losses of $78.1 million, $19.8 million and $9.0 million for the years ended December 31, 2008, 2007 and 2006, respectively. We and Mission may not be able to achieve or maintain profitability.

Our substantial debt could limit our ability to grow and compete.

As of September 30, 2009, we and Mission had $675.6 million of debt, which represented 135.7% of our and Mission s total combined capitalization. The companies high level of debt could have important consequences to our business. For example, it could:

- limit our ability to borrow additional funds or obtain additional financing in the future;

- limit our ability to pursue acquisition opportunities;

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- expose us to greater interest rate risk since the interest rate on borrowings under the senior credit facilities is variable;
- limit our flexibility to plan for and react to changes in our business and our industry; and
- impair our ability to withstand a general downturn in our business and place us at a disadvantage compared to our competitors that are less leveraged.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations for disclosure of the approximate aggregate amount of principal indebtedness scheduled to mature.

We and Mission could also incur additional debt in the future. The terms of our and Mission s senior credit facilities, as well as the indentures governing our publicly-held notes, limit, but do not prohibit us or Mission from incurring substantial amounts of additional debt. To the extent we or Mission incur additional debt we would become even more susceptible to the leverage-related risks described above.

The agreements governing our debt contain various covenants that limit our management s discretion in the operation of our business.

Our senior credit facility and the indentures governing our publicly-held notes contain various covenants that restrict our ability to, among other things:

- incur additional debt and issue preferred stock;
- pay dividends and make other distributions;
- make investments and other restricted payments;
- make acquisitions;
- merge, consolidate or transfer all or substantially all of our assets;
- enter into sale and leaseback transactions;
- create liens;
- sell assets or stock of our subsidiaries; and

enter into transactions with affiliates.

In addition, our senior credit facility requires us to maintain or meet certain financial ratios, including consolidated leverage ratios and interest coverage ratios. Future financing agreements may contain similar, or even more restrictive, provisions and covenants. As a result of these restrictions and covenants, our management s ability to operate our business at its discretion is limited, and we may be unable to compete effectively, pursue acquisitions or take advantage of new business opportunities, any of which could harm our business. Mission s senior credit facility contains similar terms and restrictions.

If we fail to comply with the restrictions in present or future financing agreements, a default may occur. A default could allow creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. A default could also allow creditors to foreclose on any collateral securing such debt.

Our senior credit facility agreement contains covenants which require us to comply with certain financial ratios, including: (a) maximum total and senior leverage ratios, (b) a minimum interest coverage ratio, and (c) a minimum fixed charge coverage ratio. The covenants, which are calculated on a quarterly basis, include the combined results of Nexstar Broadcasting and Mission. Mission s senior credit facility agreement does not contain financial covenant ratio requirements; however it does include an event of default if Nexstar does not comply with all covenants contained in its credit agreement. The senior subordinated notes and senior discount notes contain restrictive covenants customary for borrowing arrangements of this type.

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As of September 30, 2009, we were in compliance with all indentures governing the publicly-held notes. As of September 30, 2009, we were not in compliance with all covenants contained in the credit agreements governing our senior credit facility. On October 8, 2009, we amended our credit facility to modify certain covenants. See Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments for a more complete discussion of the credit facility amendment. The October 8, 2009 debt amendment contained a limited waiver for the leverage ratios which cured the violation as of September 30, 2009 contained in the credit agreement governing our senior credit facility.

On March 30, 2009, we closed an offer to exchange $143,600,000 of the 7% senior subordinated notes due 2014 in exchange for $142,320,761 7% senior subordinated PIK Notes due 2014 (the PIK Notes). Based on the financial covenants in the senior credit facility, the PIK Notes are not included in the debt amount used to calculate the total leverage ratio until January 2011. In addition to the debt exchange, we have undertaken certain actions as part of our efforts to ensure we will be in compliance with our debt covenants including 1) the elimination of corporate bonuses for 2008 and 2009, 2) the consolidation of various back office processes in certain markets, 3) the execution of a management services agreement whereby Nexstar operates seven stations in exchange for a service fee, 4) the consummation of purchase agreements on March 12, 2009 and May 1, 2009 to acquire all the assets of KARZ and WCWJ, respectively, 5) the October 8, 2009 amendment to the senior credit facility, which modified certain covenants and 6) obtaining the limited waiver of the leverage ratios as of September 30, 2009, in conjunction with the credit amendment.

The industry-wide mandatory conversion to digital television could have an adverse impact on our business, as certain viewers that do not upgrade their technology to be able to receive digital signals could no longer be able to view our programming.

Television stations in the U.S. transitioned from analog to digital broadcasts and had to phase-out analog broadcasting altogether by June 12, 2009. All of our and Mission s stations are broadcasting with digital only signals. TV viewers who receive their signals over-the-air (instead of through multichannel video program distributors, which we refer to as MVPDs, such as cable, satellite, or fiber optic service) and who have older, analog-only television receivers, had to obtain digital-to-analog converters (or new digital televisions) and perhaps new antennas in order to continue watching television after June 12, 2009. The federal government established a program to provide eligible TV viewers with coupons to cover the expense of purchasing digital-to-analog converters (but not new antennas). However, due to technological differences in the way digital as compared to analog TV signals are received, it is possible that some viewers who received adequate analog signals over-the-air are not able to receive usable digital signals (even with digital-to-analog converters and new antennas) and, therefore, are not able to watch some or all of the stations they have been watching (unless they subscribe to an MVPD service).

Mission may make decisions regarding the operation of its stations that could reduce the amount of cash we receive under our local service agreements.

Mission is 100% owned by an independent third party. Mission owns and operates 16 television stations as of September 30, 2009. We have entered into local service agreements with Mission, pursuant to which we provide services to Mission s stations. In return for the services we provide, we receive substantially all of the available cash, after payment of debt service costs, generated by Mission s stations. We also guarantee all of the obligations incurred under Mission s senior credit facility, which were incurred primarily in connection with Mission s acquisition of its stations. The sole shareholder of Mission has granted to us a purchase option to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent, for consideration equal to the greater of (1) seven times the station s cash flow, as defined in the option agreement, less the amount of its indebtedness as defined in the option agreement or (2) the amount of its indebtedness.

We do not own Mission or Mission s television stations. However, as a result of our guarantee of the obligations incurred under Mission s senior credit facility, our arrangements under the local service agreements

and purchase option agreements with Mission, we are deemed under U.S. GAAP to have a controlling financial interest in Mission while complying with the FCC s rules regarding ownership limits in television markets. In order for both us and Mission to comply with FCC regulations, Mission maintains complete responsibility for and control over the programming, finances, personnel and operations of its stations. As a result, Mission s sole shareholder and officers can make decisions with which we disagree and which could reduce the cash flow generated by these stations and, as a consequence, the amounts we receive under our local service agreements with Mission. For instance, we may disagree with Mission s programming decisions, which programming may prove unpopular and/or may generate less advertising revenue. Furthermore, subject to Mission s agreement with its lenders, Mission s sole shareholder could choose to pay himself a dividend.

The revenue generated by stations we operate or provide services to could decline substantially if they fail to maintain or renew their network affiliation agreements on favorable terms, or at all.

Due to the quality of the programming provided by the networks, stations that are affiliated with a network generally have higher ratings than unaffiliated independent stations in the same market. As a result, it is important for stations to maintain their network affiliations. All of the stations that we operate or provide services to have network affiliation agreements 12 stations have primary affiliation agreements with NBC, 11 with CBS, 9 with ABC, 15 with Fox, 7 with MyNetworkTV, 4 with The CW and 1 with Azteca America. Each of NBC, CBS and ABC generally provides affiliated stations with up to 22 hours of prime time programming per week, while each of Fox, MyNetworkTV and The CW provides affiliated stations with up to 15 hours of prime time programming per week. In return, affiliated stations broadcast the respective network s commercials during the network programming. Under the affiliation agreements with NBC, CBS and ABC, some of the stations we operate or provide services to also receive compensation from these networks.

All of the network affiliation agreements of the stations that we own, operate, program or provide sales and other services to are scheduled to expire at various times beginning in June 2010 through August 2017.

Network affiliation agreements are also subject to earlier termination by the networks under limited circumstances. For more information regarding these network affiliation agreements, see Business Network Affiliations.

The loss of or material reduction in retransmission consent revenues could have an adverse effect on our business, financial condition, and results of operations.

Nexstar s retransmission consent agreements with cable operators, direct broadcast satellite operators, and others permit the operators to carry our stations signals in exchange for the payment of compensation to us from the system operators as consideration. The television networks have recently asserted to their local television station affiliates the networks position that they, as the owners or licencees of programming we broadcast and provide for retransmission, are entitled to a portion of the compensation under the retransmission consent agreements. Networks have proposed to include these provisions in their network affiliation agreements. Inclusion of these or similar provisions in our network affiliation agreements could materially reduce this revenue source to Nexstar and could have an adverse effect on our business, financial condition, and results of operations.

The FCC could decide not to grant renewal of the FCC license of any of the stations we operate or provide services to which would require that station to cease operations.

Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if, during the preceding term, the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC s rules, and the licensee committed no other violations of the Communications Act or the FCC s rules which, taken together, would constitute a pattern of abuse. A majority of renewal

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applications are routinely granted under this standard. If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period.

On October 26, 2005, the Director of the Central Illinois Chapter of the Parents Television Council (PTC) submitted an informal objection to the application for renewal of license for Nexstar s station WCIA in Champaign, Illinois, requesting the FCC withhold action on WCIA s license renewal application until the FCC acts on the PTC s complaint regarding an allegedly indecent broadcast on WCIA.

On January 3, 2006, Cable America Corporation submitted a petition to deny the applications for renewal of license for Nexstar s station KSFX and Mission s station KOLR, both licensed to Springfield, Missouri. Cable America alleged that Nexstar s local service agreements with Mission give Nexstar improper control over Mission s operations. Nexstar and Mission submitted a joint opposition to this petition to deny and Cable America submitted a reply. Cable America subsequently requested that the FCC dismiss its petition. However, the petition remains pending with the FCC.

Nexstar and Mission began to submit renewal of license applications for their stations beginning in June 2004. We and Mission expect the FCC to renew the licenses for our stations in due course but cannot provide any assurances that the FCC will do so.

The loss of the services of our chief executive officer could disrupt management of our business and impair the execution of our business strategies.

We believe that our success depends upon our ability to retain the services of Perry A. Sook, our founder and President and Chief Executive Officer. Mr. Sook has been instrumental in determining our strategic direction and focus. The loss of Mr. Sook s services could adversely affect our ability to manage effectively our overall operations and successfully execute current or future business strategies.

Our growth may be limited if we are unable to implement our acquisition strategy.

We intend to continue our growth by selectively pursuing acquisitions of television stations. The television broadcast industry is undergoing consolidation, which may reduce the number of acquisition targets and increase the purchase price of future acquisitions. Some of our competitors may have greater financial or management resources with which to pursue acquisition targets. Therefore, even if we are successful in identifying attractive acquisition targets, we may face considerable competition and our acquisition strategy may not be successful. On October 8, 2009, we amended our credit facility and the amendment also specifically restricts our ability to pursue our acquisition strategy.

FCC rules and policies may also make it more difficult for us to acquire additional television stations. Television station acquisitions are subject to the approval of the FCC and, potentially, other regulatory authorities. The need for FCC and other regulatory approvals could restrict our ability to consummate future transactions if, for example, the FCC or other government agencies believe that a proposed transaction would result in excessive concentration in a market, even if the proposed combinations may otherwise comply with FCC ownership limitations.

Growing our business through acquisitions involves risks and if we are unable to manage effectively our rapid growth, our operating results will suffer.

We have experienced rapid growth. Since January 1, 2003, we have more than doubled the number of stations that we own, operate, program or provide sales and other services to, having acquired 20 stations and contracted to provide service to 17 additional stations. We will continue to actively pursue additional acquisition opportunities. To manage effectively our growth and address the increased reporting requirements and administrative demands that will result from future acquisitions, we will need, among other things, to continue to develop our financial and management controls and management information systems. We will also need to continue to identify, attract and retain highly skilled finance and management personnel. Failure to do any of these tasks in an efficient and timely manner could seriously harm our business.

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There are other risks associated with growing our business through acquisitions. For example, with any past or future acquisition, there is the possibility that:

- we may not be able to successfully reduce costs, increase advertising revenue or audience share or realize anticipated synergies and economies of scale with respect to any acquired station;
- an acquisition may increase our leverage and debt service requirements or may result in our assuming unexpected liabilities;
- our management may be reassigned from overseeing existing operations by the need to integrate the acquired business;
- we may experience difficulties integrating operations and systems, as well as company policies and cultures;
- we may fail to retain and assimilate employees of the acquired business; and
- problems may arise in entering new markets in which we have little or no experience.

The occurrence of any of these events could have a material adverse effect on our operating results, particularly during the period immediately following any acquisition.

FCC actions may restrict our ability to create duopolies under local service agreements, which would harm our existing operations and impair our acquisition strategy.

In some of our markets, we have created duopolies by entering into what we refer to as local service agreements. While these agreements take varying forms, a typical local service agreement is an agreement between two separately owned television stations serving the same market, whereby the owner of one station provides operational assistance to the other station, subject to ultimate editorial and other controls being exercised by the latter station s owner. By operating or entering into local service agreements with more than one station in a market, we (and the other station) achieve significant operational efficiencies. We also broaden our audience reach and enhance our ability to capture more advertising spending in a given market.

While all of our existing local service agreements comply with FCC rules and policies, the FCC may not continue to permit local service agreements as a means of creating duopoly-type opportunities.

On August 2, 2004, the FCC initiated a rule making proceeding to determine whether to make TV joint sales agreements attributable under its ownership rules. Comments and reply comments were filed in this proceeding in the fourth quarter of 2004. The FCC has not yet issued a decision in this proceeding. However, if the FCC adopts a joint sales agreement attribution rule for television stations we will be required to comply with the rule.

Cable America Corporation and an affiliate of Equity separately have alleged that our local service agreements with Mission give Nexstar improper control over Mission s operations. If the FCC challenges our existing arrangements with Mission (or our similar arrangements with Sinclair Broadcasting Group, Inc. (Sinclair)) based on these complaints and determines that our arrangements violate the FCC s rules and policies, we may be required to terminate such arrangements and we could be subject to sanctions, fines and/or other penalties.

The FCC may decide to terminate grandfathered time brokerage agreements.

The FCC attributes time brokerage agreements and local marketing agreements (TBAs) to the programmer under its ownership limits if the programmer provides more than 15% of a station s weekly broadcast programming. However, TBAs entered into prior to November 5, 1996 are exempt attributable interests for now.

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The FCC will review these grandfathered TBAs in the future. During this review, the FCC may determine to terminate the grandfathered period and make all TBAs fully attributable to the programmer. If the FCC does so, we and Mission will be required to terminate the TBAs for stations WFXP and KHMT unless the FCC simultaneously changes its duopoly rules to allow ownership of two stations in the applicable markets.

The FCC may fail to grant a construction permit for KMID s digital facilities.

On December 8, 2008, Nexstar submitted an application to modify the construction permit to specify a new broadcast tower for KMID s digital operations. The FCC requested further information regarding this application, which Nexstar submitted on September 8, 2009. The FCC has not yet granted KMID s digital authorization; however, the FCC has granted KMID a special temporary authorization for the continued operation of KMID s digital facilities during the pendency of its review. We believe the FCC will likely grant KMID s digital authorization in the normal course. However, if the FCC ultimately denies KMID s amended application, Nexstar will be required to cease operating KMID s digital facilities.

The level of foreign investments held by our principal stockholder, ABRY Partners, LLC and its affiliated funds (ABRY), may limit additional foreign investments made in us.

The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, a U.S. broadcast company such as ours may have no more than 25% non-U.S. ownership (by vote and by equity). Because our majority shareholder, ABRY has a substantial level of foreign investment, the amount of additional foreign investment that may be made in us is limited to approximately 12% of our total outstanding equity.

The interest of our principal stockholder, ABRY, in other media may limit our ability to acquire television stations in particular markets, restricting our ability to execute our acquisition strategy.

The number of television stations we may acquire in any market is limited by FCC rules and may vary depending upon whether the interests in other television stations or other media properties of persons affiliated with us are attributable under FCC rules. The broadcast or other media interest of our officers, directors and stockholders with 5% or greater voting power are generally attributable under the FCC s rules, which may limit us from acquiring or owning television stations in particular markets while those officers, directors or stockholders are associated with us. In addition, the holder of otherwise non-attributable equity and/or debt in a licensee in excess of 33% of the total debt and equity of the licensee will be attributable where the holder is either a major program supplier to that licensee or the holder has an attributable interest in another broadcast station, cable system or daily newspaper in the same market.

ABRY, our principal stockholder, is one of the largest private firms specializing in media and broadcasting investments. As a result of ABRY s interest in us, we could be prevented from acquiring broadcast companies in markets where ABRY has an attributable interest in television stations or other media, which could impair our ability to execute our acquisition strategy. Our certificate of incorporation allows ABRY and its affiliates to identify, pursue and consummate additional acquisitions of television stations or other broadcast-related businesses that may be complementary to our business and therefore such acquisitions opportunities may not be available to us.

We are controlled by one principal stockholder, ABRY, and its interests may differ from your interests.

As a result of ABRY s controlling interest in us, ABRY is able to exercise a controlling influence over our business and affairs. ABRY is able to unilaterally determine the outcome of any matter submitted to a vote of our stockholders, including the election and removal of directors and the approval of any merger, consolidation or sale of all or substantially all of our assets. In addition, five of our directors are or were affiliated with ABRY. ABRY s interests may differ from the interests of other security holders and ABRY could take actions or make decisions that are not in the best interests of our security holders. Furthermore, this concentration of ownership by ABRY may have the effect of impeding a merger, consolidation, takeover or other business combination involving us or discouraging a potential acquirer from making a tender offer for our shares.

Our certificate of incorporation, bylaws, debt instruments and Delaware law contain anti-takeover protections that may discourage or prevent a takeover of us, even if an acquisition would be beneficial to our stockholders.

Provisions of our certificate of incorporation and bylaws, as well as provisions of the Delaware General Corporation Law, could delay or make it more difficult to remove incumbent directors or for a third party to acquire us, even if a takeover would benefit our stockholders. The provisions in our certificate of incorporation and bylaws:

- authorize the issuance of blank check preferred stock by our board of directors without a stockholder vote;
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates; and
- set forth specific advance notice procedures for matters to be raised at stockholder meetings.

The Delaware General Corporation Law prohibits us from engaging in business combinations with interested shareholders (with some exceptions) unless such transaction is approved in a prescribed manner. The existence of this provision could have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for our common stock.

In addition, a change in control would be an event of default under our senior credit facility and trigger the rights of holders of our publicly-traded notes to cause us to repurchase such notes. These events would add to the cost of an acquisition, which could deter a third party from acquiring us.

We and Mission have a material amount of goodwill and intangible assets, and therefore we and Mission could suffer losses due to future asset impairment charges.

As of December 31, 2008, approximately $390.5 million, or 62.3%, of our and Mission s combined total assets consisted of goodwill and intangible assets, including FCC licenses and network affiliation agreements. We recorded an impairment charge of $82.4 million during the year ended December 31, 2008 that included an impairment to the carrying value of FCC licenses of $41.4 million, related to 20 of our television stations; an impairment to the carrying value of network affiliation agreements of $2.1 million related to 3 of our television stations; and an impairment to the carrying values of goodwill of $38.9 million, related to 10 reporting units consisting of 11 of our television stations. We recorded an impairment charge of $16.2 million during the third quarter of 2009 that included an impairment to the carrying values of FCC licenses of $8.8 million, related to 19 of our stations and an impairment to the carrying values of goodwill of $7.4 million, related to four reporting units consisting of five of our television stations. We and Mission test goodwill and FCC licenses annually, and on an interim date if factors or indicators become apparent that would require an interim test of these assets, in accordance with accounting and disclosure requirements for goodwill and other intangible assets. We and Mission test network affiliation agreements whenever circumstances or indicators become apparent the asset may not be recoverable through expected future cash flows. The methods used to evaluate the impairment of Nexstar s and Mission s goodwill and intangible assets would be affected by a significant reduction in operating results or cash flows at one or more of Nexstar s and Mission s television stations, or a forecast of such reductions, a significant adverse change in the advertising marketplaces in which Nexstar s and Mission s television stations operate, the loss of network affiliations, or by adverse changes to FCC ownership rules, among others, which may be beyond our or Mission s control. If the carrying amount of goodwill and intangible assets is revised downward due to impairment, such non-cash charge could materially affect Nexstar s and Mission s financial position and results of operations.

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Risks Related to Our Industry

Nexstar s operating results are dependent on advertising revenue and as a result, Nexstar may be more vulnerable to economic downturns and other factors beyond Nexstar s control than businesses not dependent on advertising.

Nexstar derives revenue primarily from the sale of advertising time. Nexstar s ability to sell advertising time depends on numerous factors that may be beyond Nexstar s control, including:

- the health of the economy in the local markets where our stations are located and in the nation as a whole;
- the popularity of our programming;
- fluctuations in pricing for local and national advertising;
- the activities of our competitors, including increased competition from other forms of advertising-based media, particularly newspapers, cable television, Internet and radio;
- the decreased demand for political advertising in non-election years; and
- changes in the makeup of the population in the areas where our stations are located.

Because businesses generally reduce their advertising budgets during economic recessions or downturns, the reliance upon advertising revenue makes Nexstar s operating results particularly susceptible to prevailing economic conditions. Our programming may not attract sufficient targeted viewership, and we may not achieve favorable ratings. Our ratings depend partly upon unpredictable and volatile factors beyond our control, such as viewer preferences, competing programming and the availability of other entertainment activities. A shift in viewer preferences could cause our programming not to gain popularity or to decline in popularity, which could cause our advertising revenue to decline. In addition, we and the programming providers upon which we rely may not be able to anticipate, and effectively react to, shifts in viewer tastes and interests in our markets.

Because a high percentage of our operating expenses are fixed, a relatively small decrease in advertising revenue could have a significant negative impact on our financial results.

Our business is characterized generally by high fixed costs, primarily for debt service, broadcast rights and personnel. Other than commissions paid to our sales staff and outside sales agencies, our expenses do not vary significantly with the increase or decrease in advertising revenue. As a result, a relatively small change in advertising prices could have a disproportionate effect on our financial results. Accordingly, a minor shortfall in expected revenue could have a significant negative impact on our financial results.

Preemption of regularly scheduled programming by network news coverage may affect our revenue and results of operations.

Nexstar may experience a loss of advertising revenue and incur additional broadcasting expenses due to preemption of our regularly scheduled programming by network coverage of a major global news event such as a war or terrorist attack. As a result, advertising may not be aired and the revenue for such advertising may be lost unless the station is able to run the advertising at agreed-upon times in the future. Advertisers may not agree to run such advertising in future time periods, and space may not be available for such advertising. The duration of such preemption of local programming cannot be predicted if it occurs. In addition, our stations and the stations we provide services to may incur additional expenses as a result of expanded news coverage of a war or terrorist attack. The loss of revenue and increased expenses could negatively affect our results of operations.

If we are unable to respond to changes in technology and evolving industry trends, our television businesses may not be able to compete effectively.

New technologies could also adversely affect our television stations. Information delivery and programming alternatives such as cable, direct satellite-to-home services, pay-per-view, the Internet, telephone company services, mobile devices, digital video recorders and home video and entertainment systems have fractionalized

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television viewing audiences and expanded the numbers and types of distribution channels for advertisers to access. Over the past decade, cable television programming services, other emerging video distribution platforms and the Internet have captured an increasing market share, while the aggregate viewership of the major television networks has declined. In addition, the expansion of cable and satellite television, the Internet and other technological changes have increased, and may continue to increase, the competitive demand for programming. Such increased demand, together with rising production costs, may increase our programming costs or impair our ability to acquire or develop desired programming.

In addition, video compression techniques, now in use with direct broadcast satellites, cable and wireless cable, are expected to permit greater numbers of channels to be carried within existing bandwidth. These compression techniques as well as other technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to targeted audiences. Reduction in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized niche programming, resulting in more audience fractionalization. This ability to reach very narrowly defined audiences may alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these and other technological changes will have on the television industry or on the future results of our television businesses.

If direct broadcast satellite companies do not carry the stations that we own and operate or provide services to, we could lose audience share and revenue.

Direct broadcast satellite television companies are permitted to transmit local broadcast television signals to subscribers in local markets provided that they offer to carry all local stations in that market. However, satellite providers have limited satellite capacity to deliver local station signals in local markets. Satellite providers, such as DirecTV and Dish Network, carry our and Mission s stations in only some of our markets and may choose not to carry local stations in any of our other markets. DirecTV currently provides satellite carriage of our and Mission s stations in the Champaign-Springfield-Decatur, Evansville, Ft. Smith-Fayetteville-Springdale-Rogers, Ft. Wayne, Jacksonville, Johnstown-Altoona, Little Rock-Pine Bluff, Peoria-Bloomington, Rochester, Rockford, Shreveport, Springfield and Wilkes Barre-Scranton markets. Dish Network currently provides satellite carriage of our and Mission s stations in the Abilene-Sweetwater, Amarillo, Beaumont-Port Arthur, Billings, Champaign-Springfield-Decatur, Dothan, Erie, Evansville, Fort Wayne, Ft. Smith-Fayetteville-Springdale-Rogers, Hagerstown, Jacksonville, Johnstown-Altoona, Joplin, MO-Pittsburg, KS, Little Rock-Pine Bluff, Lubbock, Monroe, LA-El Dorado, AR, Odessa-Midland, Peoria-Bloomington, Rochester, Rockford, San Angelo, Shreveport, Springfield, Terre Haute, Wichita Falls, TX-Lawton, OK and Wilkes Barre-Scranton markets. In those markets in which the satellite providers do not carry local station signals, subscribers to those satellite services are unable to view local stations without making further arrangements, such as installing antennas and switches. Furthermore, when direct broadcast satellite companies do carry local television stations in a market, they are permitted to charge subscribers extra for such service. Some subscribers may choose not to pay extra to receive local television stations. In the event subscribers to satellite services do not receive the stations that we own and operate or provide services to, we could lose audience share which would adversely affect our revenue and earnings.

The FCC can sanction us for programming broadcast on our stations which it finds to be indecent.

In 2004, the FCC began to impose substantial fines on television broadcasters for the broadcast of indecent material in violation of the Communications Act and its rules. The FCC also revised its indecency review analysis to more strictly prohibit the use of certain language on broadcast television. Because our and Mission s stations programming is in large part comprised of programming provided by the networks with which the stations are affiliated, we and Mission do not have full control over what is broadcast on our stations, and we and Mission may be subject to the imposition of fines if the FCC finds such programming to be indecent.

In addition, fines may be imposed on a television broadcaster for an indecency violation to a maximum of $325 thousand per violation.

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Intense competition in the television industry could limit our growth and impair our ability to become profitable.

As a television broadcasting company, we face a significant level of competition, both directly and indirectly. Generally we compete for our audience against all the other leisure activities in which one could choose to engage rather than watch television. Specifically, stations we own or provide services to compete for audience share, programming and advertising revenue with other television stations in their respective markets and with other advertising media, including newspapers, radio stations, cable television, DBS systems and the Internet.

The entertainment and television industries are highly competitive and are undergoing a period of consolidation. Many of our current and potential competitors have greater financial, marketing, programming and broadcasting resources than we do. The markets in which we operate are also in a constant state of change arising from, among other things, technological improvements and economic and regulatory developments. Technological innovation and the resulting proliferation of television entertainment, such as cable television, wireless cable, satellite-to-home distribution services, pay-per-view and home video and entertainment systems, have fractionalized television viewing audiences and have subjected free over-the-air television broadcast stations to increased competition. We may not be able to compete effectively or adjust our business plans to meet changing market conditions. We are unable to predict what form of competition will develop in the future, the extent of the competition or its possible effects on our businesses.

The FCC could implement legislation and/or regulations that might have a significant impact on the operations of the stations we own and the stations we provide services to or the television broadcasting industry as a whole.

The FCC has initiated proceedings to determine whether to make TV joint sales agreements attributable interests under its ownership rules; to determine whether it should establish formal rules under which broadcasters will be required to serve the local public interest; and to determine whether to modify or eliminate certain of its broadcast ownership rules, including the radio-television cross-ownership rule and the newspaper-television cross-ownership rule. A change to any of these rules may have significant impact on us and the stations we provide services to.

In addition, the FCC may decide to initiate other new rule making proceedings on its own or in response to requests from outside parties, any of which might have such an impact. Congress also may act to amend the Communications Act in a manner that could impact our stations and the stations we provide services to or the television broadcast industry in general.

The FCC may reallocate some portion of the spectrum available for use by television broadcasters to wireless broadband use which alteration could substantially impact our future operations and may reduce viewer access to our programming.

The FCC has initiated a proceeding to assess the availability of spectrum to meet future wireless broadband needs pursuant to which the FCC is examining whether some portion of the spectrum currently used for commercial broadcast television can be made available for wireless broadband use. The FCC has proposed requiring television stations to co-locate their antennas and/or reducing the amount of spectrum allocated to each television station from 6 megahertz to 3 megahertz. If the FCC determines to move forward with reducing the spectrum available to television broadcasters for their use, it may render our investment in digital facilities worthless and consequently reduce the useful lives of certain digital equipment, could require substantial additional investment to continue our operations, and may require viewers to invest in additional equipment or subscription services to continue receiving broadcast television signals.

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MARKET AND INDUSTRY DATA

Some of the market and industry data contained in this prospectus are based on independent industry publications or other publicly available information, while other information is based on internal studies. Although we believe that these independent sources and our internal data are reliable as of their respective dates, the information contained in them has not been independently verified, and we cannot assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained in this prospectus, and beliefs and estimates based on such data, may not be reliable.

In the context of describing ownership of television stations in a particular market, the term duopoly refers to owning or deriving the economic benefit, through local service agreements, or LSAs, including joint sales agreements, time brokerage agreements and shared services agreements, from two or more stations in a particular market. For more information on how we derive economic benefit from a duopoly, see Business and Prospectus Summary Relationship with Mission in this prospectus.

There are 210 generally recognized television markets, known as Designated Market Areas, or DMAs, in the United States. DMAs are ranked in size according to various factors based upon actual or potential audience. DMA rankings contained in this prospectus are from the *Investing in Television Market Report 2008 4th Edition*, as published by BIA Financial Network, Inc. Industry publications generally state that the information they provide has been obtained from other sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. We have not independently verified any of this information and therefore we also cannot guarantee the accuracy and completeness of such information. The industry forecasts we provide in this prospectus, particularly the television industry s annual growth rate in revenue for each of our markets, are subject to numerous risks and uncertainties and actual results could be different from such predictions, perhaps significantly. Industry forecasts are also based on assumptions that events, trends and activities will occur. We have not independently verified the information and assumptions used in making these forecasts and, if the information and assumptions turn out to be wrong, then the forecasts will most likely be wrong as well.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934 as amended. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including: any projections or expectations of earnings, revenue, financial performance, liquidity and capital resources or other financial items; any assumptions or projections about the television broadcasting industry, any statements of our plans, strategies and objectives for our future operations, performance, liquidity and capital resources or other financial items; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words may, will, should, could, would, predicts, potential, continue, expects, anticipates, future, intends, p and other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ from a projection or assumption in any of our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties discussed at greater length in the Risk Factors beginning on page 8 and in our other filings with the Securities and Exchange Commission (SEC). The forward-looking statements made in this prospectus are made only as of the date hereof, and we do not have or undertake any obligation to update any forward-looking statements to reflect subsequent events or circumstances unless otherwise required by law.

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USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement dated as of June 30, 2008. We will not receive any cash proceeds from the issuance of the New Notes. In consideration for issuing the New Notes contemplated in this prospectus, we will receive outstanding securities in like principal amount, the form and terms of which are the same as the form and terms of the New Notes, except as otherwise described in this prospectus. The Old Notes surrendered in exchange for New Notes will be retired and canceled. Accordingly, no additional debt will result from the exchange. We have agreed to bear the expense of the exchange offer.

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THE EXCHANGE OFFER

Terms Of The Exchange Offer; Period For Tendering Outstanding Old Notes

We will accept any validly tendered Old Notes that you do not withdraw before 5:00 p.m., New York City time, on the expiration date. We will issue $1,000 of principal amount of New Notes in exchange for each $1,000 principal amount of your outstanding Old Notes. You may tender some or all of your Old Notes in the exchange offer.

The form and terms of the New Notes are the same as the form and terms of the outstanding Old Notes except that:

(1) the New Notes being issued in the exchange offer will be registered under the Securities Act and will not have legends restricting their transfer;

(2) the New Notes being issued in the exchange offer will not contain the registration rights and liquidated damages provisions contained in the outstanding Old Notes; and

(3) interest on the New Notes will accrue from the last interest date on which interest was paid on your Old Notes.

Outstanding Old Notes that we accept for exchange will not accrue interest after we complete the exchange offer.

The exchange offer will expire at 5:00 p.m., New York City time, on February 3, 2010, unless we extend it. If we extend the exchange offer, we will issue a notice by press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

(1) to extend the exchange offer;

(2) to terminate the exchange offer and not accept any Old Notes for exchange if any of the conditions have not been satisfied; or

(3) to amend the exchange offer in any manner provided, however, that if we amend the exchange offer to make a material change, including the waiver of a material condition, we will extend the exchange offer, if necessary to keep the exchange offer open for at least five business days after such amendment or waiver.

We will promptly give written notice of any extension, delay, non-acceptance, termination or amendment. We will also file a post-effective amendment with the Commission if we amend the terms of the exchange offer.

If we extend the exchange offer, Old Notes that you have previously tendered will still be subject to the exchange offer and we may accept them. We will promptly return your Old Notes if we do not accept them for exchange for any reason without expense to you after the exchange offer expires or terminates.

Procedures For Tendering Old Notes Held Through Brokers And Banks

Since the Old Notes are represented by global book-entry notes, The Depositary Trust Company or DTC, as depositary, or its nominee is treated as the registered holder of the notes and will be the only entity that can tender your Old Notes for New Notes. Therefore, to tender notes subject to this exchange offer and to obtain New Notes, you must instruct the institution where you keep your Old Notes to tender your notes on your behalf so that they are received on or prior to the expiration of this exchange offer.

The BLUE-colored Letter of Election and Instructions to Broker or Bank that may accompany this prospectus may be used by you to give such instructions. **YOU SHOULD CONSULT YOUR ACCOUNT REPRESENTATIVE AT THE BROKER OR BANK WHERE YOU KEEP YOUR NOTES TO DETERMINE THE PREFERRED PROCEDURE.**

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IF YOU WISH TO ACCEPT THIS EXCHANGE OFFER, PLEASE INSTRUCT YOUR BROKER OR ACCOUNT REPRESENTATIVE IN TIME FOR YOUR OLD NOTES TO BE TENDERED BEFORE THE 5:00 PM (NEW YORK CITY TIME) DEADLINE ON FEBRUARY 3, 2010.

You may tender some or all of your Old Notes in this exchange offer. However, notes may be tendered only in integral multiples of $1,000.

When you tender your outstanding Old Notes and we accept them, the tender will be a binding agreement between you and us in accordance with the terms and conditions in this prospectus.

The method of delivery of outstanding Old Notes and all other required documents to the exchange agent is at your election and risk.

We will decide all questions about the validity, form, eligibility, acceptance and withdrawal of tendered Old Notes, and our determination will be final and binding on you. We reserve the absolute right to:

(1) reject any and all tenders of any particular note not properly tendered;

(2) refuse to accept any Old Note if, in our judgment or the judgment of our counsel, the acceptance would be unlawful; and

(3) waive any defects or irregularities or conditions of the exchange offer as to any particular Old Note before the expiration of the offer.

Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. You must cure any defects or irregularities in connection with tenders of Old Notes as we will determine. We, the exchange agent nor any other person will incur any liability for failure to notify you of any defect or irregularity with respect to your tender of Old Notes. If we waive any terms or conditions pursuant to (3) above with respect to a noteholder, we will extend the same waiver to all noteholders with respect to that term or condition being waived.

Deemed Representations

To participate in the exchange offer, we require that you represent to us that:

(1) you or any other person acquiring New Notes for your outstanding Old Notes in the exchange offer is acquiring them in the ordinary course of business;

(2) neither you nor any other person acquiring New Notes in exchange for your outstanding Old Notes is engaging in or intends to engage in a distribution of the New Notes issued in the exchange offer;

(3) neither you nor any other person acquiring New Notes in exchange for your outstanding Old Notes has an arrangement or understanding with any person to participate in the distribution of New Notes issued in the exchange offer;

(4) neither you nor any other person acquiring New Notes in exchange for your outstanding Old Notes is our affiliate as defined under Rule 405 of the Securities Act; and

(5) if you or another person acquiring New Notes for your outstanding Old Notes is a broker-dealer, and acquired the Old Notes as a result of market-making activities or other trading activities, and you acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of your New Notes.

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By Tendering Your Old Notes You Are Deemed To Have Made These Representations

Broker-dealers who cannot make the representations in item (5) of the paragraph above cannot use this exchange offer prospectus in connection with resales of the New Notes issued in the exchange offer.

If you are our affiliate, as defined under Rule 405 of the Securities Act, you are a broker-dealer who acquired your outstanding Old Notes in the initial offering and not as a result of market-making or trading activities, or if you are engaged in or intend to engage in or have an arrangement or understanding with any person to participate in a distribution of New Notes acquired in the exchange offer, you or that person:

(1) may not rely on the applicable interpretations of the staff of the Commission and therefore may not participate in the exchange offer; and

(2) must comply with the registration and prospectus delivery requirements of the Securities Act or an exemption therefrom when reselling the Old Notes.

Procedures For Brokers And Custodian Banks; DTC Account

In order to accept this exchange offer on behalf of a holder of Old Notes you must submit or cause your DTC participant to submit an Agent s Message as described below.

The exchange agent, on our behalf, will seek to establish an Automated Tender Offer Program (ATOP) account with respect to the outstanding notes at DTC promptly after the delivery of this prospectus. Any financial institution that is a DTC participant, including your broker or bank, may make book-entry tender of outstanding Old Notes by causing the book-entry transfer of such notes into our ATOP account in accordance with DTC s procedures for such transfers. Concurrently with the delivery of Old Notes, an Agent s Message in connection with such book-entry transfer must be transmitted by DTC to, and received by, the exchange agent on or prior to 5:00 p.m., New York City Time on the expiration date. The confirmation of a book-entry transfer into the ATOP account as described above is referred to herein as a Book-Entry Confirmation.

The term Agent s Message means a message transmitted by the DTC participants to DTC, and thereafter transmitted by DTC to the exchange agent, forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent s Message stating that such participant and beneficial holder agree to be bound by the terms of this exchange offer.

Each Agent s Message must include the following information:

(1) Name of the beneficial owner tendering such notes;

(2) Account number of the beneficial owner tendering such notes; and

(3) Principal amount of notes tendered by such beneficial owner.

BY SENDING AN AGENT S MESSAGE THE DTC PARTICIPANT IS DEEMED TO HAVE CERTIFIED THAT THE BENEFICIAL HOLDER FOR WHOM NOTES ARE BEING TENDERED HAS BEEN PROVIDED WITH A COPY OF THIS PROSPECTUS.

The delivery of notes through DTC, and any transmission of an Agent s Message through ATOP, is at the election and risk of the person tendering notes. We will ask the exchange agent to instruct DTC to return those Old Notes, if any, that were tendered through ATOP but were not accepted by us, to the DTC participant that tendered such notes on behalf of holders of the notes. Neither we nor the exchange agent is responsible or liable for the return of such notes to the tendering DTC participants or to their owners, nor as to the time by which such return is completed.

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Acceptance Of Outstanding Old Notes For Exchange; Delivery Of New Notes Issued In The Exchange Offer

We will accept validly tendered Old Notes when the conditions to the exchange offer have been satisfied or we have waived them. We will have accepted your validly tendered Old Notes when we have given oral or written notice to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the New Notes from us. If we do not accept any tendered Old Notes for exchange because of an invalid tender or other valid reason, the exchange agent will return the certificates, without expense, to the tendering holder. If a holder has tendered Old Notes by book-entry transfer, we will credit the notes to an account maintained with The Depository Trust Company. We will credit the account at The Depository Trust Company promptly after the exchange offer terminates or expires.

THE AGENT S MESSAGE MUST BE TRANSMITTED TO EXCHANGE AGENT ON OR BEFORE 5:00 PM, NEW YORK CITY TIME, ON THE EXPIRATION DATE

Withdrawal Rights

You may withdraw your tender of outstanding Old Notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you should contact your bank or broker where your Old Notes are held and have them send an ATOP notice of withdrawal so that it is received by the exchange agent before 5:00 p.m., New York City time, on the expiration date. Such notice of withdrawal must:

(1) specify the name of the person that tendered the Old Notes to be withdrawn;

(2) identify the Old Notes to be withdrawn, including the CUSIP number and principal amount at maturity of the Old Notes;

(3) specify the name and number of an account at The Depository Trust Company to which your withdrawn Old Notes can be credited.

We will decide all questions as to the validity, form and eligibility of the notices and our determination will be final and binding on all parties. Any tendered Old Notes that you withdraw will not be considered to have been validly tendered. We will return any outstanding Old Notes that have been tendered but not exchanged, or credit them to The Depository Trust Company account, promptly after withdrawal, rejection of tender, or termination of the exchange offer. You may re-tender properly withdrawn Old Notes by following one of the procedures described above before the expiration date.

Conditions To The Exchange Offer

Notwithstanding any other provision herein, we are not required to accept for exchange, or to issue New Notes in exchange for, any outstanding Old Notes. We may terminate or amend the exchange offer, before the expiration of the exchange offer;

(1) if any federal law, statute, rule or regulation has been adopted or enacted which, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer;

(2) if any stop order is threatened or in effect with respect to the registration statement which this prospectus is a part of or the qualification of the indenture under the Trust Indenture Act of 1939; or

(3) if there is a change in the current interpretation by the staff of the Commission which permits holders who have made the required representations to us to resell, offer for resale, or otherwise transfer New Notes issued in the exchange offer without registration of the New Notes and delivery of a prospectus, as discussed above.

These conditions are for our sole benefit and we may assert them at any time before the expiration of the exchange offer. Our failure to exercise any of the foregoing rights will not be a waiver of our rights.

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Exchange Agent

You should direct questions, requests for assistance, and requests for additional copies of this prospectus and the BLUE-colored Letter of Elections and Instructions to Brokers or Bank to the exchange agent at The Bank of New York, 101 Barclay Street -7W/Corp, New York, New York 10286, attention: Corporate Trust Operations Reorganization Unit (Telephone) (212) 815-3750 and (Facsimile) (212) 815-5707.

Delivery to an address other than set forth above will not constitute a valid delivery.

Fees And Expenses

We will not make any payment to brokers, dealers, or others soliciting acceptances of the exchange offer except for reimbursement of mailing expenses.

We will pay the estimated cash expenses connected with the exchange offer.

Accounting Treatment

The New Notes will be recorded at the same carrying value as the existing Old Notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses incurred in connection with the exchange offer will be expensed as incurred.

Transfer Taxes

If you tender outstanding Old Notes for exchange you will not be obligated to pay any transfer taxes. However, if you instruct us to register New Notes in the name of, or request that your Old Notes not tendered or not accepted in the exchange offer be returned to, a person other than you, you will be responsible for paying any transfer tax owed.

YOU MAY SUFFER ADVERSE CONSEQUENCES IF YOU FAIL TO EXCHANGE OUTSTANDING OLD NOTES

If you do not tender your outstanding Old Notes, you will not have any further registration rights, except for the rights described in the registration rights agreement and described above, and your Old Notes will continue to be subject to restrictions on transfer when we complete the exchange offer. Accordingly, if you do not tender your notes in the exchange offer, your ability to sell your Old Notes could be adversely affected. Once we have completed the exchange offer, holders who have not tendered notes will not continue to be entitled to any increase in interest rate that the indenture provides for if we do not complete the exchange offer.

Holders of the New Notes issued in the exchange offer and Old Notes that are not tendered in the exchange offer will vote together as a single class under the indenture governing the New Notes.

Consequences Of Exchanging Outstanding Old Notes

If you make the representations that we discuss above, we believe that you may offer, sell or otherwise transfer the New Notes to another party without registration of your notes or delivery of a prospectus.

We base our belief on interpretations by the staff of the Commission in no-action letters issued to third parties. If you cannot make these representations, you cannot rely on this interpretation by the Commission s staff and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the Old Notes. A broker-dealer that receives New Notes for its own account in exchange for its outstanding Old Notes must acknowledge that it acquired as a result of market making activities or other trading activities and that it will deliver a prospectus in connection with any resale of the New Notes. Broker-dealers who can make these representations may use this exchange offer prospectus, as supplemented or amended, in connection with resales of New Notes issued in the exchange offer.

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However, because the Commission has not issued a no-action letter in connection with this exchange offer, we cannot be sure that the staff of the Commission would make a similar determination regarding the exchange offer as it has made in similar circumstances.

Shelf Registration

The registration rights agreement also requires that we file a shelf registration statement if:

(1) we cannot file a registration statement for the exchange offer because the exchange offer is not permitted by law;

(2) a law or Commission policy prohibits a holder from participating in the exchange offer;

(3) a holder cannot resell the New Notes it acquires in the exchange offer without delivering a prospectus and this prospectus is not appropriate or available for resales by the holder; or

(4) a holder is a broker-dealer and holds notes acquired directly from us or one of our affiliates.

We will also register the New Notes under the securities laws of jurisdictions that holders may request before offering or selling notes in a public offering. We do not intend to register New Notes in any jurisdiction unless a holder requests that we do so.

Old Notes may be subject to restrictions on transfer until:

(1) a person other than a broker-dealer has exchanged the Old Notes in the exchange offer;

(2) a broker-dealer has exchanged the Old Notes in the exchange offer and sells them to a purchaser that receives a prospectus from the broker, dealer on or before the sale;

(3) the Old Notes are sold under an effective shelf registration statement that we have filed; or

(4) the Old Notes are sold to the public under Rule 144 of the Securities Act.

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SELECTED FINANCIAL AND OTHER DATA

The following table presents our selected financial and other data, which you should read in conjunction with Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes included elsewhere in this prospectus. The selected historical consolidated financial data presented below for the nine months ended September 30, 2009 and 2008 have been derived from our unaudited consolidated financial statements. The selected historical consolidated financial data presented below for the years ended December 31, 2008, 2007, 2006, 2005 and 2004 have been derived from our consolidated financial statements. The following financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Nine months ended September 30,		Fiscal years ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
	(in thousands, except for per share/unit amounts)						
Statement of Operations Data:							
Net revenue	$ 178,019	$ 204,605	$ 284,919	$ 266,801	$ 265,169	$ 228,939	$ 249,531
Operating expenses (income):							
Direct operating expenses (exclusive of depreciation and amortization shown separately below)	56,867	58,189	78,287	74,128	71,465	67,681	65,608
Selling, general and administrative expenses (exclusive of depreciation and amortization shown separately below)	66,280	65,639	90,468	86,773	85,293	75,863	76,603
Restructure charge	670						
Non-cash contract termination fees	191	7,167	7,167				
Impairment of goodwill	7,360	27,841	38,856(1)				
Impairment of other intangible assets	8,804	20,696	43,539(2)				
Amortization of broadcast rights	19,495	15,393	20,423	21,457	19,701	22,257	24,805
Depreciation and amortization	33,775	34,750	49,153	45,880	42,221	43,244	44,412
Merger related expenses							456
Gain on asset exchange	(6,710)	(4,079)	(4,776)	(1,962)			
Loss on property held for sale						616	
Loss (gain) on asset disposal, net	(2,813)	(297)	(43)	(17)	639	668	582
Income (loss) from operations	(5,900)	(20,694)	(38,155)	40,542	45,850	18,610	37,065
Interest expense	(27,433)	(36,401)	(48,832)	(55,040)	(51,783)	(47,260)	(52,265)
Gain (loss) on extinguishment of debt	18,567		2,897			(15,715)	(8,704)
Interest income	47	626	713	532	760	213	113
Other income, net	3		2			380	5,077
Loss before income taxes	(14,716)	(54,469)	(83,375)	(13,966)	(5,173)	(43,772)	(18,714)
Income tax benefit (expense).	1,135	(310)	5,316	(5,807)	(3,819)	(4,958)	(3,892)
Loss before minority interest in consolidated entity	(13,581)	(56,779)	(78,059)	(19,773)	(8,992)	(48,730)	(22,606)
Minority interest of consolidated entity							2,106
Net loss	(13,581)	(56,779)	(78,059)	(19,773)	(8,992)	(48,730)	(20,500)
Basic and diluted loss per share:							
Net loss attributable to common shareholders	$ (0.48)	$ (2.00)	$ (2.75)	$ (0.70)	$ (0.32)	$ (1.72)	$ (0.72)
Weighted average number of shares outstanding:							
Basic and diluted	28,426	28,422	28,423	28,401	28,376	28,363	28,363
Balance Sheet Data (end of period):							
Cash and cash equivalents	19,323	11,648	15,834	16,226	11,179	13,487	18,505
Working capital (deficit)	40,781	22,978	27,391	(11,472)	21,872	26,144	35,249
Net intangible assets and goodwill	368,695	433,464	390,540	494,092	519,450	494,231	519,626
Total assets	628,055	665,218	626,587	708,702	724,709	680,081	734,965
Total debt	675,555	666,242	662,117	681,176	681,135	646,505	629,898
Total member s interest (deficit) or stockholder s equity (deficit)	(177,612)	(144,303)	(165,156)	(89,390)	(73,290)	(66,025)	(17,295)
Cash Flow Data:							
Net cash provided by (used for):							
Operating activities	9,834	40,726	60,648	36,987	54,462	14,350	31,911
Investing activities	(30,106)	(25,548)	(38,492)	(18,608)	(79,272)	(26,358)	(44,605)

Financing activities	23,761	(19,756)	(22,548)	(13,332)	22,502	6,990	20,351
Other Financial Data:							
Capital expenditures, net of proceeds from asset sales	14,250	18,119	30,687	18,221	23,751	13,891	10,298
Cash payments for broadcast rights	6,811	6,128	8,239	8,376	8,284	9,704	10,520
Financial Ratio Data:							
Ratio of earnings to fixed charges(3)					1.17		

(1) The Company recognized an impairment charge of $38.9 million related to goodwill. See Note 8 under on page F-56 for additional information.

(2) The Company recognized an impairment charge of $43.5 million related to FCC licenses and network affiliation agreements. See Note 8 on page F-56 for additional information.

(3) The computation of the ratio of earnings to fixed charges is filed with this registration statement as Exhibit 12.1.

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MANAGEMENT S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the Selected Historical Financial Data, and the combined financial statements and the related notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements about our markets, the demand for our products and services and our future results. We based these statements on assumptions that we consider reasonable. Actual results may differ materially from those suggested by our forward-looking statements for various reasons including those discussed in the Risk Factors and Forward-Looking Statements sections of this prospectus.

Overview of Operations

We own and operate 34 television stations as of September 30, 2009. Through various local service agreements, we programmed, provided sales or other services to 25 additional television stations (exclusive of digital multi-channels), including 16 television stations owned and operated by Mission as of September 30, 2009. All of the stations we program or provide sales and other services to, including Mission, are 100% owned by independent third parties.

The following table summarizes the various local service agreements we had in effect as of September 30, 2009 with Mission:

Service Agreements	Mission Stations
TBA (1)	WFXP and KHMT
SSA & JSA (2)	KJTL, KJBO-LP, KOLR, KCIT, KCPN-LP, KAMC, KRBC, KSAN, WUTR, WFXW, WYOU, KODE, WTVO and KTVE

(1) We have a time brokerage agreement (TBA) with each of these stations which allows us to program most of each station s broadcast time, sell each station s advertising time and retain the advertising revenue generated in exchange for monthly payments to Mission.
(2) We have both a shared services agreement (SSA) and a joint sales agreement (JSA) with each of these stations. The SSA allows us to provide certain services including news production, technical maintenance and security, in exchange for our right to receive certain payments from Mission as described in the SSAs. The JSA permits us to sell and retain a percentage of the net revenue from the station s advertising time in return for monthly payments to Mission of the remaining percentage of net revenue as described in the JSAs.

In conjunction with Mission s acquisition of KTVE, the NBC affiliate in the Monroe, Louisiana El Dorado, Arkansas market, effective January 16, 2008, it entered into a SSA and JSA with Nexstar. The terms of the SSA and JSA are comparable to the terms of the SSAs and JSAs between Nexstar and Mission as discussed above.

Our ability to receive cash from Mission is governed by these agreements. The arrangements under the local service agreements have had the effect of us receiving substantially all of the available cash, after Mission s payments of operating costs and debt service, generated by the stations listed above. We anticipate that, through these local service agreements, we will continue to receive substantially all of the available cash, after Mission s payments of operating costs and debt service, generated by the stations listed above.

We also guarantee all obligations incurred under Mission s senior credit facility. Similarly, Mission is a guarantor of our senior credit facility and the senior subordinated notes we have issued. In consideration of our guarantee of Mission s senior credit facility, the sole shareholder of Mission has granted us a purchase option to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent, for consideration equal to the greater of (1) seven times the station s cash flow, as defined in the option agreement, less the amount of its indebtedness as defined in the option agreement, or (2) the amount of its indebtedness. These option agreements (which expire on various dates between 2011 and 2018) are freely exercisable or assignable by us without consent or approval by the sole shareholder of Mission. We expect these option agreements to be renewed upon expiration.

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We do not own Mission or Mission s television stations. However, as a result of our guarantee of the obligations incurred under Mission s senior credit facility, our arrangements under the local service agreements and purchase option agreements with Mission, we are deemed under U.S. GAAP to have a controlling financial interest in Mission while complying with the FCC s rules regarding ownership limits in television markets. In order for both us and Mission to comply with FCC regulations, Mission maintains complete responsibility for and control over programming, finances, personnel and operations of its stations.

The operating revenue of our stations is derived primarily from broadcast advertising revenue, which is affected by a number of factors, including the economic conditions of the markets in which we operate, the demographic makeup of those markets and the marketing strategy we employ in each market. Most advertising contracts are short-term and generally run for a few weeks. For the years ended December 31, 2008 and 2007 and the nine months ended September 30, 2009, the revenue generated from local advertising represented 72.2% , 70.3% and 75.1%, respectively, of our consolidated spot revenue (total of local and national advertising revenue, excluding political advertising revenue). The remaining advertising revenue represents inventory sold for national or political advertising. All national and political revenue is derived from advertisements placed through advertising agencies. The agencies receive a commission rate of 15.0% of the gross amount of advertising schedules placed by them. While the majority of local spot revenue is placed by local agencies, some advertisers place their schedules directly with the stations local sales staff, thereby eliminating the agency commission. Each station also has an agreement with a national representative firm that provides for sales representation outside the particular station s market. Advertising schedules received through the national representative firm are for national or large regional accounts that advertise in several markets simultaneously. National commission rates vary within the industry and are governed by each station s agreement.

Each of our stations and the stations we provide services to has a network affiliation agreement pursuant to which the network provides programming to the station during specified time periods, including prime time. Under the affiliation agreements with NBC, CBS and ABC, some of our stations and the stations we provide services to receive cash compensation for distributing the network s programming over the air and for allowing the network to keep a portion of advertising inventory during those time periods. The affiliation agreements with Fox, MyNetworkTV and The CW do not provide for compensation. In recent years, in conjunction with the renewal of affiliation agreements with NBC, CBS and ABC, the amount of network compensation has been declining from year to year. We expect this trend to continue in the future. Therefore, revenue associated with network compensation agreements is expected to decline in future years and may be eliminated altogether at some point in time.

Each station acquires licenses to broadcast programming in non-news and non-network time periods. The licenses are either purchased from a program distributor for cash and/or the program distributor is allowed to sell some of the advertising inventory as compensation to eliminate or reduce the cash cost for the license. The latter practice is referred to as barter broadcast rights. The station records the estimated fair market value of the licenses, including any advertising inventory given to the program distributor, as a broadcast right asset and liability. Barter broadcast rights are recorded at management s estimate of the value of the advertising time exchanged using historical advertising rates, which approximates the fair value of the program material received. The assets are amortized as a component of amortization of broadcast rights. Amortization is computed using the straight-line method based on the license period or usage, whichever yields the greater expense. The cash broadcast rights liabilities are reduced by monthly payments while the barter liability is amortized over the life of the contract as barter revenue.

Our primary operating expenses consist of commissions on advertising revenue, employee compensation and related benefits, newsgathering and programming costs. A large percentage of the costs involved in the operation of our stations and the stations we provide services to remains relatively fixed.

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Seasonality

Advertising revenue is positively affected by strong local economies, national and regional political election campaigns, and certain events such as the Olympic Games or the Super Bowl. Because television broadcast stations rely on advertising revenue, declines in advertising budgets, particularly in recessionary periods, adversely affect the broadcast industry, and as a result may contribute to a decrease in the revenue of broadcast television stations. The stations advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years resulting from political advertising and advertising aired during the Olympic Games.

Industry Trends

Our net revenue decreased 13.0% to $178.0 million for the nine months ended September 30, 2009, compared to $204.6 million for the nine months ended September 30, 2008 primarily due to decreases in national and local advertising which is attributable to the overall slowdown in the economy and in particular, the automotive industry, year-over-year.

Political advertising revenue was $2.3 million for the nine months ended September 30, 2009, a significant decrease from the $13.4 million for the nine months ended September 30, 2008. The demand for political advertising is generally higher in even-numbered years, when congressional and presidential elections occur, than in odd-numbered years when there are no federal elections scheduled. Since 2009 is a non-election year, we expect significantly less political advertising revenue to be reported in 2009 in relation to the amount of political advertising reported in 2008.

Automotive-related advertising, our largest advertising category, represented approximately 16% and 23% of our core local and national advertising revenue for the nine months ended September 30, 2009 and 2008. Our automotive-related advertising decreased approximately 40% for the nine months ended September 30, 2009 as compared to the same period in 2008. Automotive-related advertising on a quarter-to-quarter comparison to the prior year has followed a consistent downward trend over the last three years. This trend is primarily due to the current condition of the automotive industry and resulting decline in the demand for advertising from this business category. A continued pattern of deterioration in advertising revenue from this source could materially affect our future results of operations.

Pending Transaction

On April 11, 2006, we and Mission filed an application with the FCC for consent to assignment of the license of KFTA Channel 24 (Ft. Smith, Arkansas) from us to Mission. Consideration for this transaction is set at $5.6 million. On August 28, 2006, we and Mission entered into a local service agreement whereby (a) Mission pays us $5 thousand per month for the right to broadcast Fox programming on KFTA during the Fox network programming time periods and (b) we pay Mission $20 thousand per month for the right to sell all advertising time on KFTA within the Fox network programming time periods. The local service agreement between us and Mission will terminate upon assignment of KFTA s FCC license from us to Mission. Upon completing the assignment of KFTA s license, Mission plans to enter into a JSA and SSA with our station KNWA in Fort Smith-Fayetteville-Springdale-Rogers, Arkansas, whereby KNWA will provide local news, sales and other non-programming services to KFTA. In March 2008, the FCC granted the application to assign the license for KFTA from Nexstar to Mission. The grant contained conditions which Nexstar is currently appealing.

Station Acquisitions

On January 16, 2008, Mission completed its acquisition of KTVE, the NBC affiliate in Monroe, Louisiana El Dorado, Arkansas, for total consideration of $8.3 million, inclusive of transaction costs.

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On October 6, 2008, Nexstar entered into a purchase agreement to acquire substantially all of the assets of KARZ (formerly KWBF), the MyNetworkTV affiliate serving the Little Rock, Arkansas market for $4.0 million. The acquisition gives Nexstar an opportunity to further utilize existing retransmission compensation contracts and also to achieve duopoly synergies within the KARZ market. In accordance with the purchase agreement, Nexstar made a down payment of $0.4 million in 2008. This acquisition closed on March 12, 2009 and the remaining $3.6 million was paid from available cash on hand. Transaction costs such as legal, accounting, valuation and other professional services of $0.1 million were expensed as incurred.

On January 28, 2009, Nexstar entered into an agreement to acquire the assets of WCWJ, the CW affiliate serving the Jacksonville, Florida market, for $18.0 million (base) subject to working capital adjustments. Nexstar viewed this acquisition as an opportunity to leverage our management expertise and increase profitability of the station by overlaying our existing retransmission compensation contracts and incorporating our cost reduction strategies. The transaction closed on May 1, 2009. Cash available on hand was used to make a $1.0 million down payment in February 2009 and the remaining $16.2 million was paid upon closing. Transaction costs such as legal, accounting, valuation and other professional services of $0.3 million were expensed as incurred.

Refinancing of Long-Term Debt Obligations

On June 27, 2008, Nexstar Broadcasting Inc. (the Issuer), an indirect subsidiary of Nexstar Broadcasting Group, Inc. (the Parent), and the Parent entered into a purchase agreement with certain initial purchasers (the Purchasers) identified therein pursuant to which the Issuer agreed to issue and sell, the Purchasers agreed to purchase, Senior Subordinated PIK Notes due 2014 (the Notes) in aggregate principal amount of $35,623,410 at a purchase price equal to 98.25%. The transaction closed on June 30, 2008 and was subject to customary representations, warranties and closing conditions. Each of the Issuer and the Parent has agreed to indemnify the Purchasers for any breach of any of the representations, warranties, covenants or agreements made by such party. The Issuer used the net proceeds from the sale of Notes to reduce revolver borrowings under its senior bank credit facility. The Notes are guaranteed by the Parent (the Guarantee).

Recent Developments

On October 6, 2008, Nexstar entered into a purchase agreement to acquire substantially all of the assets of KARZ-TV (formerly KWBF-TV), the MyNetworkTV affiliate serving the Little Rock, Arkansas market for $4.0 million (base price) subject to working capital adjustments. This acquisition closed on March 12, 2009.

On January 28, 2009, Nexstar entered into an agreement to acquire the assets of WCWJ, the CW affiliate serving the Jacksonville, Florida market, for a base purchase price of $18.0 million subject to working capital adjustments. The transaction received FCC approval and closed on May 1, 2009.

On February 27, 2009, Nexstar announced the commencement of an offer to exchange up to $143,600,000 aggregate principal amount of its outstanding $191,510,000 in aggregate principal amount of 7% senior subordinated notes due 2014 (the Old Notes) in exchange for (i) up to $142,320,761 in aggregate principal amount of Nexstar Broadcasting s 7% senior subordinated PIK Notes due 2014 (the New Notes), to be guaranteed by each of the existing guarantors to the Old Notes and (ii) cash. This debt exchange closed on March 30, 2009. See Debt Covenant discussion in the Liquidity and Capital Resources section.

During the first quarter of 2009, the Company repurchased a total of $27.9 million (face amount) of its 11.375% notes and $1.0 million (face amount) of the old notes for a total of $10.0 million, plus accrued interest of $1.0 million.

On October 8, 2009, Nexstar entered into that certain Second Amendment (the Amendment) to the Fourth Amended and Restated Credit Agreement, dated as of April 1, 2005, together with Nexstar Broadcasting Group, Inc., Nexstar Finance Holdings, Inc., Bank of America, N.A., as Administrative Agent and as L/C Issuer, Banc of America Securities LLC, as joint lead arranger and joint book manager, UBS Securities LLC, as co-syndication agent and joint lead arranger, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as co-syndication agent and joint book manager, and the several banks parties thereto (the Nexstar Credit Agreement , and, as amended, the Amended Nexstar Credit Agreement , setting forth the terms of the senior credit facility).

The Amendment modifies certain terms of Nexstar Credit Agreement, including, but not limited to, changes to financial covenants, including the Consolidated Total Leverage Ratio and Consolidated Senior Leverage Ratio, a general tightening of the exceptions to the negative covenants (principally by means of reducing the types and amounts of permitted transactions) and an increase to the interest rates and fees payable with respect to the borrowings under the Amended Nexstar Credit Agreement.

	Prior	As Amended
Consolidated Total Leverage Ratio:		
July 1, 2009 through September 30, 2009	6.50 to 1.00	6.75 to 1.00
October 1, 2009 to December 31, 2009	6.50 to 1.00	8.75 to 1.00
January 1, 2010 through March 31, 2010	6.50 to 1.00	9.50 to 1.00
April 1, 2010 through June 30, 2010	6.50 to 1.00	10.25 to 1.00
July 1, 2010 through September 30, 2010	6.25 to 1.00	9.25 to 1.00
October 1, 2010 through and including March 31, 2011	6.25 to 1.00	7.75 to 1.00
April 1, 2011 and thereafter	6.00 to 1.00	6.00 to 1.00
Consolidated Senior Leverage Ratio:		
July 1, 2009 through September 30, 2009	4.50 to 1.00	5.50 to 1.00
October 1, 2009 to December 31, 2009	4.50 to 1.00	7.00 to 1.00
January 1, 2010 through March 31, 2010	4.25 to 1.00	7.00 to 1.00
April 1, 2010 through June 30, 2010	4.25 to 1.00	7.50 to 1.00
July 1, 2010 through September 30, 2010	4.25 to 1.00	6.75 to 1.00
October 1, 2010 through and including March 31, 2011	4.25 to 1.00	5.50 to 1.00
April 1, 2011 and thereafter	4.00 to 1.00	4.00 to 1.00

The Amended Nexstar Credit Agreement revises the calculation of Consolidated Total Leverage Ratio to exclude the netting of cash and cash equivalents against total debt.

On an annual basis following the delivery of Nexstar s Broadcasting, Inc. s year end financial statements, the Amended Nexstar Credit Agreement requires mandatory prepayments of principal, as well as a permanent reduction in revolving credit commitments, subject to a computation of excess cash flow for the preceding fiscal year, as more fully set forth in the Amended Nexstar Credit Agreement. The Amended Nexstar Credit Agreement also places additional restrictions on the use of proceeds from asset sales, equity issuances, or debt issuances (with the result that such proceeds, subject to certain exceptions, be used for mandatory prepayments of principal and permanent reductions in revolving credit commitments), and includes an anti-cash hoarding provision which requires that Nexstar utilize unrestricted cash and cash equivalent balances in excess of $15 million to repay principal amounts outstanding, but not permanently reduce capacity, under the revolving credit facility.

The Amended Nexstar Credit Agreement also revised the interest rate provisions. As amended, borrowings under the senior credit facility may bear interest at either (i) a Eurodollar Rate, which has been amended to include an interest rate floor equal to 1% or (ii) a Base Rate, which, as amended, is defined as the greater of (1) the sum of 1/2 of 1% plus the Federal Funds Rate, (2) Bank of America, N.A. s prime rate and (3) the sum of (x) 1% plus (y) the Eurodollar Rate. The definition of applicable margin was changed to eliminate the pricing grid and replace it with a fixed rate. As amended, the applicable margin for Eurodollar loans is a rate per annum equal to 4% and the applicable margin for Base Rate loans is a rate per annum equal to 3%.

On October 8, 2009, Mission entered into its first amendment (the Mission Amendment) to its Third Amended and Restated Credit Agreement dated as of April 1, 2005, among it, Bank of America, N.A., as Administrative Agent and as L/C Issuer, Banc of America Securities, as joint lead arranger and joint book

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manager, UBS Securities LLC, as co-syndication agent and joint lead arranger and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as co-syndication agent and joint bank manager, and the several banks parties thereto (as amended, the Amended Mission Credit Agreement).

Nexstar, Nexstar Broadcasting Group, Inc. and Nexstar Finance Holdings, Inc. (together, the Nexstar Entities) continue to guarantee full payment of any and all obligations under the Amended Mission Credit Agreement in the event of a default thereunder. The Amended Nexstar Credit Agreement expanded certain cross-default provisions such that the breach of certain warranties, representations or covenants under the Amended Mission Credit Agreement now constitute an event of default under the Amended Nexstar Credit Agreement.

The foregoing description of the Amendment to the senior credit facility and the modifications contained therein does not purport to be complete and is qualified in its entirety by the terms and conditions of such Amendment.

The Mission Amendment, among other things, permitted Mission to modify certain terms and conditions of the Mission Credit Agreement. Mission continues to guarantee full payment of all obligations of the Nexstar Entities under the Amended Nexstar Credit Agreement.

Historical Performance

Revenue

The following table sets forth the principal types of revenue earned by the Company s stations for the periods indicated and each type of revenue (other than trade and barter) as a percentage of total gross revenue, as well as agency commissions:

	Nine Months Ended September 30,				Year Ended December 31,					
	2009		2008		2008		2007		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(in thousands, except percentages)									
Local	$ 113,412	61.8	$ 129,999	60.2	$ 171,552	57.0	$ 175,508	62.9	$ 164,077	58.8
National	37,563	20.5	50,296	23.3	66,122	22.0	74,256	26.6	71,620	25.6
Political	2,271	1.2	13,418	6.2	32,886	10.9	4,308	1.6	27,031	9.7
Retransmission compensation (1)	17,884	9.8	10,461	4.8	14,393	4.8	11,810	4.2	8,696	3.1
eMedia revenue	8,291	4.5	7,342	3.4	10,180	3.4	5,113	1.8	100	
Network compensation	1,607	0.9	2,615	1.2	3,523	1.1	4,364	1.6	4,210	1.5
Other	2,326	1.3	1,635	0.9	2,498	0.8	3,652	1.3	3,542	1.3
Total gross revenue	183,354	100.0	215,766	100.0	301,154	100.0	279,011	100.0	279,276	100.0
Less: Agency commissions	19,002	10.4	24,544	11.4	34,587	11.5	31,629	11.3	33,104	11.9
Net broadcast revenue	164,352	89.6	191,222	88.6	266,567	88.5	247,382	88.7	246,172	88.1
Trade and barter revenue	13,667		13,383		18,352		19,419		18,997	
Net revenue	$ 178,019		$ 204,605		$ 284,919		$ 266,801		$ 265,169	

(1) Retransmission compensation consists of a per subscriber-based compensatory fee and excludes advertising revenue generated from retransmission consent agreements, which is included in gross local advertising revenue.

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Results of Operations

The following table sets forth a summary of the Company s operations for the periods indicated and their percentages of total net revenue:

	Nine Months Ended September 30,				Year Ended December 31,					
	2009		2008		2008		2007		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(in thousands, except percentages)									
Net revenue	$ 178,019	100.0	$ 204,605	100.0	$ 284,919	100.0	$ 266,801	100.0	$ 265,169	100.0
Operating expenses (income):										
Corporate expenses	14,499	8.1	11,033	5.4	15,473	5.4	13,348	5.0	14,588	5.5
Station direct operating expenses, net of trade	52,991	29.8	53,783	26.3	72,056	25.3	68,112	25.5	64,358	24.3
Selling, general and administrative expenses	51,781	29.1	54,606	26.7	74,995	26.3	73,425	27.5	70,705	26.7
Impairment of goodwill	7,360	4.1	27,841	13.6	38,856	13.6				
Impairment of other intangible assets	8,804	4.9	20,696	10.1	43,539	15.3				
Restructure charge	670	0.4								
Non-cash contract termination fees	191	0.1	7,167	3.5	7,167	2.5				
Gain on asset exchange	(6,710)	(3.8)	(4,079)	(2.0)	(4,776)	(1.7)	(1,962)	(0.7)		
Loss (gain) on asset disposal, net	(2,813)	(1.6)	(297)	(0.1)	(43)		(17)		639	0.2
Trade and barter expense	12,793	7.2	13,097	6.4	17,936	6.3	18,423	6.9	18,717	7.1
Depreciation and amortization	33,775	19.0	34,750	17.0	49,153	17.3	45,880	17.2	42,221	15.9
Amortization of broadcast rights, excluding barter	10,578	5.9	6,702	3.3	8,718	3.1	9,050	3.4	8,091	3.1
Income (loss) from operations	$ (5,900)		$ (20,694)		$ (38,155)		$ 40,542		$ 45,850	

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Revenue

Gross local advertising revenue was $113.4 million for the nine months ended September 30, 2009 a decrease of $16.6 million or 12.8% when compared to $130.0 million for the nine months ended September 30, 2008. Gross national advertising revenue was $37.6 million for the nine months ended September 30, 2009, compared to $50.3 million for the same period in 2008, a decrease of $12.7 million, or 25.3%. Advertising revenue from Paid Programming, Automotive, Fast Foods/Restaurants, Furniture and Telecom business categories decreased by approximately $2.3 million, $17.0 million, $1.2 million, $1.8 million and $1.6 million, respectively during the nine months ended September 30, 2009 compared to the prior year.

Gross political advertising revenue was $2.3 million for the nine months ended September 30, 2009, compared to $13.4 million for the same period in 2008, a decrease of $11.1 million, or 83.1%. The decrease in gross political revenue was mainly attributed to presidential and statewide primary elections and to statewide and/or local races that occurred during the nine months ended September 30, 2008 as compared to nominal political advertising during the nine months ended September 30, 2009.

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Retransmission compensation was $17.9 million for the nine months ended September 30, 2009, compared to $10.5 million for the same period in 2008, an increase of $7.4 million, or 71.0%. The increase in retransmission compensation was primarily the result of agreements with various cable companies being renegotiated at higher rates in the fourth quarter of 2008.

eMedia revenue, representing revenue generated from non-television web-based advertising, was $8.3 million for the nine months ended September 30, 2009, compared to $7.3 million for the nine months ended September 30, 2008, an increase of $1.0 million or 12.9%. The increase in eMedia revenue was a result of the continued expansion of products offered in this area.

Net revenue for the nine months ended September 30, 2009 decreased 13.0% to $178.0 million compared to $204.6 million for the nine months ended September 30, 2008.

Operating Expenses

Corporate expenses, related to costs associated with the centralized management of Nexstar s and Mission s stations, were $14.5 million for the nine months ended September 30, 2009, compared to $11.0 million for the nine months ended September 30, 2008, an increase of $3.5 million, or 31.4%. The increase during the nine months ended September 30, 2009 was primarily attributed to $2.9 million in fees associated with the March 2009 7% notes exchange offer and $0.6 million in professional fees associated with the recent amendment of our senior credit facility.

Station direct operating expenses, consisting primarily of news, engineering and programming, net of trade, and selling, general and administrative expenses were $104.8 million for the nine months ended September 30, 2009, compared to $108.4 million for the same period in 2008, a decrease of $3.6 million, or 3.3%. This decrease is primarily attributed to a decrease in national and local sales commissions which resulted from decreases in national and local revenue.

In February 2009, Nexstar began regionalizing certain accounting and traffic functions. As a result, approximately 93 employees were notified they would be terminated at various points in time through the end of May 2009. These employees were offered termination benefits that aggregated to $0.7 million. The Company recognized these costs ratably over the period of time between the notice of termination and the termination date. Nexstar estimates the restructuring will save the Company approximately $2.2 million annually. The Company incurred a $0.7 million charge during the nine months ended September 30, 2009 related to these benefits.

In May 2009, the Company incurred a non-cash charge of $0.2 million related to the termination of national sales representation agreements at certain stations. The Company incurred a similar type of charge in March 2008 in the amount of $7.2 million related to a different group of stations.

Amortization of broadcast rights, excluding barter, was $10.6 million for the nine months ended September 30, 2009, compared to $6.7 million for the same period in 2008. The increase is primarily due to net realizable write-downs of $3.0 million as more fully described in Note 2 on page F-10. Additionally, the 2009 purchase of stations WCWJ and KARZ increased the monthly amortization.

Amortization of intangible assets was $17.8 and $19.1 million for the nine months ended September 30, 2009 and 2008, respectively. The decrease in amortization was primarily due to the reduction of the carrying value of network affiliation agreements being amortized in 2009 as a result of impairments in the second half of 2008 and one station changing networks at the beginning of 2009.

We recorded an impairment charge of $16.2 million during the third quarter of 2009 that included an impairment to the carrying values of FCC licenses of $8.8 million, related to 19 of our stations and an impairment to the carrying values of goodwill of $7.4 million, related to four reporting units consisting of five of our television stations. In the third quarter of 2008, we recorded an impairment charge of $48.5 million that included an impairment to the carrying values of FCC licenses of $19.7 million, related to 12 of our television stations; an impairment to the carrying value of network affiliation agreements of $1.0 million, related to three of our television stations; and an impairment to the carrying values of goodwill of $27.8 million, related to five reporting units consisting of six of our television stations. As required by the authoritative guidance for goodwill and other intangible assets, we tested our FCC licenses and goodwill for impairment at September 30, 2009, between the required annual tests, because we believed events had occurred and circumstances changed that would more likely than not reduce the fair value of our reporting units below their carrying amounts and that our FCC licenses might be impaired. These events and circumstances include the overall economic recession and a continued decline in demand for advertising at several of our stations.

Depreciation of property and equipment was $16.0 million and $15.7 million for the nine months ended September 30, 2009, and 2008, respectively.

For the nine months ended September 30, 2009, and September, 30 2008 respectively, we recognized a gain of $6.7 million and $4.1 million from the exchange of equipment under an arrangement with Sprint Nextel Corporation. The increase was due to the number of stations completing spectrum conversions in 2009 compared to 2008.

The net gain on asset disposal of $2.8 million for the nine months ended September 30, 2009 included a $2.2 million gain related to the KSNF tower insurance claim.

Loss from Operations

Loss from operations was $5.9 million for the nine months ended September 30, 2009, compared to a loss from operations of $20.7 million for the same period in 2008, a decrease of $14.8 million, or 71.5%. The decrease in loss from operations was primarily the result of the decrease of $32.4 million in the magnitude of the impairment charge in the nine months ended September 30, 2009 compared to the same period in 2008, as well as the decrease in non-cash contact termination fees of $7.0 million combined with increased gains on asset exchange and disposal of assets of $5.1 million, partially offset by the decrease in net revenue of $26.6 million and the increase in amortization of broadcast rights of $4.1 million, which included $3.0 million in write-downs of the net realizable value of certain broadcast rights.

Interest Expense

Interest expense, including amortization of debt financing costs, was $27.4 million for the nine months ended September 30, 2009, compared to $36.4 million for the same period in 2008, a decrease of $9.0 million, or 24.6%. The decrease in interest expense was primarily attributed to lower average interest rates in 2009 compared to 2008, as well as reductions in the outstanding 11.375% notes, period-over-period.

Gain on Extinguishment of Debt

In the first quarter of 2009, the Company purchased $27.8 million of its 11.375% notes and $1.0 million of its 7% notes for a total of $10.0 million, plus accrued interest of $1.0 million. These transactions resulted in combined gains of $18.6 million for the nine months ended September 30, 2009.

Income Taxes

Income tax benefit was $1.1 million for the nine months ended September 30, 2009, compared to an expense of $0.3 million for the same period in 2008, a decrease of $1.4 million, or 466.1%. The decrease in expense was primarily due to the deferred tax effect of the impairment charge of $16.2 million in 2009 and $48.5 million in 2008 related to goodwill and other indefinite-lived intangible assets. Our provision for income taxes is

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primarily created by changes in the deferred tax liabilities position during the year arising from the amortizing of goodwill and other indefinite-lived intangible assets for income tax purposes which are not amortized for financial reporting purposes. The impairment charge reduced the book value and therefore decreased the deferred tax liability position. No tax benefit was recorded with respect to the losses for 2009 and 2008, as the utilization of such losses is not likely to be realized in the foreseeable future.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Revenue

Gross local advertising revenue was $171.6 million for the year ended December 31, 2008, compared to $175.5 million for the same period in 2007, a decrease of $3.9 million, or 2.3%. Gross national advertising revenue was $66.1 million for the year ended December 31, 2008, compared to $74.3 million for the same period in 2007, a decrease of $8.2 million, or 11.0%. The combined net decrease in gross local and national advertising revenue of $12.1 million was primarily the result of a decrease in automotive related advertising, our largest advertising category.

Gross political advertising revenue was $32.9 million for the year ended December 31, 2008, compared to $4.3 million for the same period in 2007, an increase of $28.6 million, or 663.4%. The increase in gross political revenue was attributed to presidential, statewide and/or local races (primarily in Pennsylvania, Indiana, Alabama, Missouri and Montana) that occurred during the year ended December 31, 2008 as compared to nominal political advertising during the year ended December 31, 2007.

Retransmission compensation was $14.4 million for the year ended December 31, 2008, compared to $11.8 million for the same period in 2007, an increase of $2.6 million, or 22.0%. The increase in retransmission compensation was primarily the result of (1) additional subscriber base for certain content distributors in 2008 compared to 2007, (2) annual rate increases in 2008 for certain retransmission consent agreements, (3) the addition of new markets under retransmission consent agreements in 2008 and (4) renewal of various multi-year contracts at higher rates with certain distributors.

eMedia revenue, representing revenue generated from non-television web-based advertising, was $10.2 million for the year ended December 31, 2008, compared to $5.1 million for the year ended December 31, 2007. The increase in new media revenue was a result of having all of our markets complete implementation of this digital media platform initiative for all of 2008 as compared to 2007, in which complete implementation did not take place until June 2007. Also contributing to the increase is the introduction of additional products in this area.

Operating Expenses

Corporate expenses, related to costs associated with the centralized management of Nexstar s and Mission s stations, were $15.5 million for the year ended December 31, 2008, compared to $13.3 million for the year ended December 31, 2007, an increase of $2.2 million, or 15.9%. The increase during the year ended December 31, 2008 was primarily attributed to an increase in legal and professional fees of $2.4 million.

Station direct operating expenses, consisting primarily of news, engineering and programming, net of trade, and selling, general and administrative expenses were $147.1 million for the year ended December 31, 2008, compared to $141.5 million for the same period in 2007, an increase of $5.6 million, or 3.9%. The increase in station direct operating expenses, net of trade, is primarily attributed to (1) the addition of KTVE in 2008 and (2) payroll-related costs and commissions related to the growth in eMedia revenue. These increases were partially offset by a reduction in employee incentives.

Amortization of broadcast rights, excluding barter, was $8.7 million for the year ended December 31, 2008, compared to $9.1 million for the same period in 2007, a decrease of $0.4 million, or 3.7%.

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Amortization of intangible assets was $28.1 million for the year ended December 31, 2008, compared to $25.7 million for the same period in 2007, an increase of $2.4 million, or 9.6%. The increase was primarily related to the acceleration of amortization of our NBC Network affiliation agreement at KBTV due to the station becoming a Fox affiliated station effective January 1, 2009.

Depreciation of property and equipment was $21.0 million for the year ended December 31, 2008, compared to $20.2 million for the same period in 2007, an increase of $0.8 million, or 4.0%. The increase in depreciation was due to a corresponding increase in property and equipment, including Mission s acquisition of KTVE.

For the year ended December 31, 2008, we recognized a non-cash gain of $4.8 million from the exchange of equipment under an arrangement we first transacted with Sprint Nextel Corporation during the second quarter of 2007.

We recognized a $7.2 million non-cash charge related to the termination of the national sales representation contract.

We recorded an impairment charge of $82.4 million during the year ended December 31, 2008 that included an impairment to the carrying values of FCC licenses of $41.4 million, related to 22 of our television stations; an impairment to the carrying value of network affiliation agreements of $2.1 million, related to 3 of our television stations; and an impairment to the carrying values of goodwill of $38.9 million, related to 10 reporting units consisting of 11 of our television stations. See Note 8 in the Notes to Consolidated Financial Statements on page F-56 for additional information.

Income from Operations

Loss from operations was $38.2 million for the year ended December 31, 2008, compared to income of $40.5 million for the same period in 2007, a decrease of $78.7 million, or 194.3%. The decrease was primarily the result of impairment charges as required by authoritative guidance for goodwill and other intangible assets partially offset by increases in net revenue.

Interest Expense

Interest expense, including amortization of debt financing costs, was $48.8 million for the year ended December 31, 2008, compared to $55.0 million for the same period in 2007, a decrease of $6.2 million, or 11.3%. The decrease in interest expense was primarily attributed to lower average interest rates during the year ended December 31, 2008 compared to the same period in 2007 combined with the $46.9 million principal payment on our 11.375% senior discounted Notes on April 1, 2008, a $5.3 million dollar repurchase of the 11.375% Notes in September 2008 and a repurchase of $7.5 million of the 7% Notes in October 2008.

Gain on Extinguishment of Debt

On October 16, 2008, Nexstar purchased $5 million (face value) of the Company s outstanding 7% Notes. The cash paid was approximately $3.1 million which included approximately $0.1 million of accrued interest. On October 28, 2008, Nexstar purchased $2.5 million (face value) of the 7% Notes for approximately $1.5 million, which included approximately $0.1 million of accrued interest. As a result of these two transactions, Nexstar recognized a combined gain of $2.9 million. This amount is net of a $0.1 million pro-rata write-off of debt financing costs associated with the 7% Notes.

Income Taxes

Income tax benefit was $5.3 million for the year ended December 31, 2008, compared to income tax expense of $5.8 million for the same period in 2007, a decrease of $11.1 million. The decrease was primarily due to the tax benefit recognized as a result of the impairment charge on indefinite-lived assets. Our provision for income taxes is primarily created by an increase in the deferred tax liabilities position during the year arising from the amortizing of goodwill and other indefinite-lived intangible assets for income tax purposes which are not amortized for financial reporting purposes. The impairment charge reduced the book value and therefore decreased the deferred tax liability position. No tax benefit was recorded with respect to the losses for 2008 and 2007, as the utilization of such losses is not likely to be realized in the foreseeable future.

Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

Revenue

Gross local advertising revenue was $175.5 million for the year ended December 31, 2007, compared to $164.1 million for the same period in 2006, an increase of $11.4 million, or 7.0%. Gross national advertising revenue was $74.3 million for the year ended December 31, 2007, compared to $71.6 million for the same period in 2006, an increase of $2.7 million, or 3.7%. The combined net increase in gross local and national advertising revenue of $14.1 million was primarily the result of (1) the inclusion of local and national advertising revenue of approximately $11.4 million for 2007 from newly acquired television station WTAJ and (2) advertising revenue generated from the retransmission consent agreements which increased by approximately $3.5 million compared to the same period in 2006. Advertising revenue from the Telecommunications and Furniture business categories, which increased by approximately $1.1 million and $0.4 million during 2007 compared to the prior year, respectively, were offset by declines in advertising revenue from the Insurance, Fast Foods/Restaurants and Department and Retail Stores business categories, which decreased by approximately $1.0 million, $0.4 million and $0.6 million during 2007 compared to the prior year, respectively.

Gross political advertising revenue was $4.3 million for the year ended December 31, 2007, compared to $27.0 million for the same period in 2006, a decrease of $22.7 million, or 84.1%. The decrease in gross political revenue was attributed to statewide and/or local races (primarily in Pennsylvania, Missouri, Illinois, Texas, New York and Indiana) that occurred during the year ended December 31, 2006 as compared to nominal political advertising during the year ended December 31, 2007.

Retransmission compensation was $11.8 million for the year ended December 31, 2007, compared to $8.7 million for the same period in 2006, an increase of $3.1 million, or 35.8%. The increase in retransmission compensation was primarily the result of (1) additional subscriber base for certain content distributors in 2007 compared to 2006, (2) annual rate increases in 2007 for certain retransmission consent agreements and (3) a few additional markets under retransmission consent agreements in 2007.

eMedia revenue, representing revenue generated from non-television web-based advertising, was $5.1 million for the year ended December 31, 2007, compared to $0.1 million for the year ended December 31, 2006. The increase in new media revenue was a result of having all of our markets complete implementation of this digital media platform initiative as of June 2007 compared to implementation by only a few initial markets in 2006.

Operating Expenses

Corporate expenses, related to costs associated with the centralized management of Nexstar s and Mission s stations, were $13.3 million for the year ended December 31, 2007, compared to $14.6 million for the year ended December 31, 2006, a decrease of $1.3 million, or 8.5%. The decrease during the year ended December 31, 2007 was primarily attributed to (1) approximately $1.0 million less incentive compensation recognized in 2007 than in 2006, (2) $0.3 million less of non-income related taxes incurred in 2007 and (3) $0.4 million less of audit and tax preparation fees incurred in 2007.

Station direct operating expenses, consisting primarily of news, engineering and programming, net of trade, and selling, general and administrative expenses were $141.5 million for the year ended December 31, 2007, compared to $135.1 million for the same period in 2006, an increase of $6.4 million, or 4.8%. The increase in station direct operating expenses, net of trade, and selling, general and administrative expenses for the year ended

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December 31, 2007 was primarily attributed to the inclusion of such expenses totaling approximately $5.4 million for 2007 from newly acquired television station WTAJ and additional payroll costs incurred in 2007 mainly as a result of annual merit increases and costs associated with a new department created to develop web-based revenue.

Amortization of broadcast rights, excluding barter, was $9.1 million for the year ended December 31, 2007, compared to $8.1 million for the same period in 2006, an increase of $1.0 million, or 11.9%. The increase was primarily attributed to the amortization of broadcast rights of approximately $0.6 million for 2007 from newly acquired television station WTAJ.

Amortization of intangible assets was $25.7 million for the year ended December 31, 2007, compared to $24.1 million for the same period in 2006, an increase of $1.6 million, or 6.4%. The increase was primarily related to the amortization of intangible assets of approximately $1.8 million for 2007 from newly acquired television station WTAJ.

Depreciation of property and equipment was $20.2 million for the year ended December 31, 2007, compared to $18.1 million for the same period in 2006, an increase of $2.1 million, or 11.7%. The increase was primarily attributed to the depreciation of assets of approximately $1.6 million for 2007 from newly acquired television station WTAJ.

For the year ended December 31, 2007, we recognized a non-cash gain of $2.0 million from the exchange of equipment under an arrangement we first transacted with Sprint Nextel Corporation during the last three quarters of 2007.

Income from Operations

Income from operations was $40.5 million for the year ended December 31, 2007, compared to $45.9 million for the same period in 2006, a decrease of $5.4 million, or 11.6%. The decrease was primarily the result of the increase in operating expenses, particularly in station direct operating expenses, net of trade, and selling, general and administrative expenses, depreciation and amortization of intangible assets as described above, for the year ended December 31, 2007 compared to the same period in 2006, partially offset by increases in net revenue and gain on asset exchange.

Interest Expense

Interest expense, including amortization of debt financing costs, was $55.0 million for the year ended December 31, 2007, compared to $51.8 million for the same period in 2006, an increase of $3.2 million, or 6.3%. The increase in interest expense was primarily attributed to (1) higher average interest rates incurred during the year ended December 31, 2007 compared to the same period in 2006 under our and Mission s senior credit facilities and (2) a greater amount of average debt outstanding in 2007 under our senior credit facility resulting from the borrowing in connection with our acquisition of WTAJ and WLYH in December 2006.

Income Taxes

Income tax expense was $5.8 million for the year ended December 31, 2007, compared to $3.8 million for the same period in 2006, an increase of $2.0 million, or 52.1%. The increase was primarily due to (1) the recognition of a $0.5 million benefit from a prior year tax position in the third quarter of 2006, (2) a $0.5 million reduction in our net deferred tax liabilities position resulting from enactment of the Texas Margin Tax recorded in the second quarter of 2006, (3) a provision for current state income tax of $0.5 million for the year ended December 31, 2007 related to the Texas Margin Tax and (4) $0.8 million of income tax expense for the year ended December 31, 2007 related to the increase in deferred tax liabilities in 2007 associated with our newly acquired television station WTAJ. The increase was partially offset by (1) a $0.5 million reduction in our deferred state income tax provision for the year ended December 31, 2007 resulting from the enactment of recent legislation revising the Texas Margin Tax and its computation of the temporary credit for Texas business loss

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carryovers and (2) the recognition of a $0.1 million benefit from a prior year tax position in the third quarter of 2007. Our provision for income taxes is primarily created by an increase in the deferred tax liabilities position during the year arising from the amortizing of goodwill and other indefinite-lived intangible assets for income tax purposes which are not amortized for financial reporting purposes. This expense has no impact on our cash flows. No tax benefit was recorded with respect to the losses for 2007 and 2006, as the utilization of such losses is not likely to be realized in the foreseeable future.

Liquidity and Capital Resources

We and Mission are highly leveraged, which makes the Company vulnerable to changes in general economic conditions. Our and Mission s ability to meet the future cash requirements described below depends on our and Mission s ability to generate cash in the future, which is subject to general economic, financial, competitive, legislative, regulatory and other conditions, many of which are beyond our and Mission s control. Based on current operations and anticipated future growth, we believe that our and Mission s available cash, anticipated cash flow from operations and available borrowings under the Nexstar and Mission senior credit facilities will be sufficient to fund working capital, capital expenditure requirements, interest payments and scheduled debt principal payments for at least the next twelve months. In order to meet future cash needs we may, from time to time, borrow under credit facilities or issue other long- or short-term debt or equity, if the market and the terms of our existing debt arrangements permit, and Mission may, from time to time, borrow under its available credit facility. We will continue to evaluate the best use of Nexstar s operating cash flow among its capital expenditures, acquisitions and debt reduction.

Overview

The following tables present summarized financial information management believes is helpful in evaluating the Company s liquidity and capital resources:

	Nine Months Ended September 30,		Year Ended December 31,		
	2009	2008	2008	2007	2006
			(in thousands)		
Net cash provided by operating activities	$ 9,834	$ 40,726	$ 60,648	$ 36,987	$ 54,462
Net cash used for investing activities	(30,106)	$ (25,548)	(38,492)	(18,608)	(79,272)
Net cash provided by (used for) financing activities	23,761	(19,756)	(22,548)	(13,332)	22,502
Net increase (decrease) in cash and cash equivalents	3,489	(4,578)	(392)	5,047	(2,308)
Cash paid for interest	22,228	29,440	39,036	40,575	38,182
Cash paid for income taxes, net	523	178	178	51	36

	Nine Months Ended September 30,		Year Ended December 31,	
	2009	2008	2008	2007
		(in thousands)		
Cash and cash equivalents	$ 19,323	$ 11,648	$ 15,834	$ 16,226
Long-term debt including current portions	675,555	666,242	662,117	681,176
Unused commitments under senior secured credit facilities (1)	12,500	69,500	66,500	69,500

(1) Based on covenant calculations, as of December 31, 2008, $28.4 million of total unused revolving loan commitments under the Nexstar and Mission credit facilities were available for borrowing. As of September 30, 2009, there was $12.5 million of total unused revolving loan commitments under the Nexstar and Mission credit facilities. Based on covenant calculations, as of September 30, 2009, $0 was available for borrowing.

Cash Flows Operating Activities

The comparative net cash flows provided by operating activities decreased by $30.9 million during the nine months ended September 30, 2009 compared to the same period in 2008. The decrease was primarily due to the overall reduction in our net revenue.

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Cash paid for interest decreased by $7.2 million during the nine months ended September 30, 2009 compared to the same period in 2008. The decrease was primarily due to lower average interest rates on our variable rate bank debt in 2009 compared to 2008.

The comparative net cash flows provided by operating activities increased by $23.3 million during the year ended December 31, 2008 compared to the same period in 2007. The increase was primarily due to (1) our increase in net revenue of $18.1 million, partially offset by an increase in direct operating and general and administrative expenses of $7.8 million, (2) an increase of $10.2 million resulting from the timing of collections for accounts receivable and (3) an increase of $2.3 million related to timing of interest payments on the 11.375% senior discount notes.

Cash paid for interest decreased by $1.5 million during the year ended December 31, 2008 compared to the same period in 2007. The decrease was due to a decrease in cash payments of interest on our and Mission s bank debt. Cash payments of interest on our and Mission s senior credit facilities were $19.9 million for the year ended December 31, 2008, compared to $26.6 million for the year ended December 31, 2007, a decrease of $6.7 million. The decrease was due to lower average interest rates incurred during the year ended December 31, 2008 compared to the same period in 2007 and a lower level of average debt outstanding in 2008 on the respective credit facilities. The decrease in cash interest paid on bank debt was partially offset by an increase in cash interest paid on the 11.375% senior discount notes, which required cash payments beginning in April 2008.

The comparative net cash flows provided by operating activities decreased by $17.5 million during the year ended December 31, 2007 compared to the same period in 2006. The decrease was primarily due to (1) less favorable operating results as reflected in the $10.8 million increase in net loss, (2) a decrease of $5.3 million resulting from the timing of payments for accounts payable and accrued expenses and (3) a decrease of $5.3 million resulting from the timing of collections of accounts receivable.

Cash paid for interest increased by $2.4 million during the year ended December 31, 2007 compared to the same period in 2006. The increase was due to an increase in cash payments of interest on our and Mission s bank debt. Cash payments of interest on our and Mission s senior credit facilities were $26.6 million for the year ended December 31, 2007, compared to $24.2 million for the year ended December 31, 2006, an increase of $2.4 million. The increase was due to higher average interest rates incurred during the year ended December 31, 2007 compared to the same period in 2006 and a greater amount of average debt outstanding in 2007 on the respective credit facilities.

Nexstar and its subsidiaries file a consolidated federal income tax return. Mission files its own separate federal income tax return. Additionally, Nexstar and Mission file their own state and local tax returns as are required. Due to our and Mission s recent history of net operating losses, we and Mission currently do not pay any federal income taxes. These net operating losses may be carried forward, subject to expiration and certain limitations, and used to reduce taxable earnings in future years. Through the use of available loss carryforwards, it is possible that we and Mission may not pay significant amounts of federal income taxes in the foreseeable future.

Cash Flows Investing Activities

The comparative net cash used for investing activities increased by $4.6 million during the nine months ended September 30, 2009 compared to the same period in 2008. The increase was primarily due to the increase in acquisitions of stations, partially offset by a reduction in capital expenditures and an increase in insurance proceeds for KBTV and KSNF.

The comparative net cash used for investing activities increased by $19.5 million during the year ended December 31, 2008 compared to the same period in 2007. The increase was primarily due to increases in purchases of property and equipment and in acquisition-related payments.

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The comparative net cash used for investing activities decreased by $60.7 million during the year ended December 31, 2007 compared to the same period in 2006. The decrease was primarily due to decreases in purchases of property and equipment and in acquisition-related payments.

Capital expenditures were $14.3 million for the nine months ended September 30, 2009, compared to $18.1 million for the nine months ended September 30, 2008. The decrease was primarily attributable to a significant portion of the digital conversions occurring in 2008.

We project that 2009 full-year capital expenditures will be approximately $17.0 million, which is expected to include approximately $8.5 million of digital conversion expenditures. We concluded our digital conversion expenditures during 2009 for a total estimated cost of $8.5 million.

Capital expenditures were $30.8 million for the year ended December 31, 2008, compared to $18.5 million for the year ended December 31, 2007. The increase was primarily attributable to digital conversion expenditures, which was $23.3 million for the year ended December 31, 2008 compared to $8.6 million for the same period in 2007.

Capital expenditures were $18.5 million for the year ended December 31, 2007, compared to $24.4 million for the year ended December 31, 2006. The decrease was primarily attributable to digital conversion expenditures, which was $8.6 million for the year ended December 31, 2007 compared to $14.3 million for the same period in 2006.

Acquisition-related payments for the nine months ended September 30, 2009 consisted of the acquisitions of KARZ for $3.6 million and the acquisition of WCWJ for $17.2 million.

Cash used for station acquisitions was $8.3 million for the year ended December 31, 2008, $0.4 million for the year ended December 31, 2007 and $55.5 million for the year ended December 31, 2006.

Acquisition-related payments for the year ended December 31, 2008 included $7.9 million related to Mission s acquisition of KTVE and $0.4 million for the down-payment on KARZ. The $0.4 million of acquisition-related payments in 2007 were for the down payment on the KTVE acquisition.

Acquisition-related payments for the year ended December 31, 2006 consisted of $55.1 million total consideration, exclusive of transaction costs, for our acquisition of WTAJ and WLYH.

Cash Flows Financing Activities

The comparative net cash from financing activities increased by $43.5 million during the nine months ended September 30, 2009 compared to the same period in 2008, due primarily to an increase in net borrowings under the revolving credit facility of $54.0 million partially offset by consideration of $17.7 million paid to bondholders in the exchange of the 7% senior subordinated notes.

The comparative net cash used for financing activities increased by $9.2 million during the year ended December 31, 2008 compared to the same period in 2007, primarily due to the repayment of $56.8 million of senior subordinated debt, partially offset by proceeds from the June 27, 2008 issuance of senior subordinated payment in kind (PIK) notes of $35 million and also $13.0 million less in net payments on the revolving credit facility.

The comparative net cash from financing activities decreased by $35.8 million during the year ended December 31, 2007 compared to the same period in 2006, due to the decrease in the proceeds during 2007 from revolving loan borrowings under our and Mission s senior secured credit facilities and the increase in repayments during 2007 under our and Mission s senior secured credit facilities.

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On April 1, 2008, Nexstar redeemed $46.9 million of its outstanding 11.375% senior discount notes to ensure they are not Applicable High Yield Discount Obligations within the meaning of Section 163(i)(1) of the Internal Revenue Code of 1986. In September 2008, the Company repurchased $5.3 million of the 11.375% notes at par as required by the terms of the senior subordinated PIK notes purchase agreement. In October 2008, Nexstar voluntarily repurchased $7.5 million of the outstanding 7% senior subordinated notes for approximately $4.6 million.

During the nine months ended September 30, 2009, there were $54.0 million of revolving loan borrowings under our and Mission s senior secured credit facilities, compared to $50.0 million of borrowings and $50.0 million of repayments under the revolving credit facility for the nine months ended September 30, 2008.

During the year ended December 31, 2008, there were $3.5 million of scheduled term loan maturities, $50.0 million of revolving loan repayments and $53.0 million of revolving loan borrowings under our and Mission s senior secured credit facilities.

During the year ended December 31, 2007, there were $3.5 million of scheduled term loan maturities, $18.0 million of revolving loan repayments and $8.0 million of revolving loan borrowings under our and Mission s senior secured credit facilities.

During the nine months ended September 30, 2009, there were $2.6 million of repayments under our and Mission s senior secured credit facilities, all consisting of scheduled term loan maturities. Additionally, we purchased $27.9 million and $1.0 million (both face amounts) of our 11.375% notes and 7% notes, respectively, for a total of $10.0 million.

During the year ended December 31, 2006, there were $15.5 million of repayments under our and Mission s senior secured credit facilities, consisting of scheduled term loan maturities of $3.5 million and voluntary repayments of $12.0 million of term loans.

Future Sources of Financing and Debt Service Requirements

As of September 30, 2009, Nexstar and Mission had total combined debt of $675.6 million, which represented 135.7% of Nexstar and Mission s combined capitalization. Our and Mission s high level of debt requires that a substantial portion of cash flow be dedicated to pay principal and interest on debt which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes.

The following table summarizes the approximate aggregate amount of principal indebtedness scheduled to mature for the periods referenced as of September 30, 2009:

	Total	Remainder of 2009	2010-2011	2012-2013	Thereafter
			(in thousands)		
Nexstar senior credit facility	$ 234,768	$ 439	$ 3,516	$ 230,813	$
Mission senior credit facility	172,792	432	3,454	168,906	
Senior subordinated PIK notes due 2014	42,628				42,628

7% senior subordinated notes due 2014	47,910				47,910
7% senior subordinated PIK notes due 2014	143,600				143,600
11.375% senior discount notes due 2013	49,981			49,981	
	$ 691,679	$ 871	$ 6,970	$ 449,700	$ 234,138

We make semiannual interest payments on our 7% (non-PIK) Notes of on January 15th and July 15th of each year. The 11.375% Notes began to accrue cash interest on April 1, 2008. We make semiannual interest payments on our 11.375% Notes on April 1st and October 1st. Our senior subordinated PIK notes due 2014 will begin paying cash interest in 2010 and our 7% senior subordinated PIK notes due 2014 will begin paying cash interest in 2011. Interest payments on our and Mission s senior credit facilities are generally paid every one to three months and are payable based on the type of interest rate selected.

The terms of the Nexstar and Mission senior credit facilities, as well as the indentures governing our publicly-held notes, limit, but do not prohibit us or Mission from incurring substantial amounts of additional debt in the future.

We do not have any rating downgrade triggers that would accelerate the maturity dates of our debt. However, a downgrade in our credit rating could adversely affect our ability to renew existing, or obtain access to new, credit facilities or otherwise issue debt in the future and could increase the cost of such facilities.

Debt Covenants

Our senior credit facility agreement contains covenants which require us to comply with certain financial ratios, including: (a) maximum total and senior leverage ratios, (b) a minimum interest coverage ratio, and (c) a minimum fixed charge coverage ratio. The covenants, which are calculated on a quarterly basis, include the combined results of Nexstar Broadcasting and Mission. Mission s senior credit facility agreement does not contain financial covenant ratio requirements; however it does include an event of default if Nexstar does not comply with all covenants contained in its credit agreement. The senior subordinated notes and senior discount notes contain restrictive covenants customary for borrowing arrangements of this type.

On October 8, 2009, Nexstar amended its senior credit facility to modify certain terms of the underlying credit agreement. The modifications included, but are not limited to, changes to financial covenants, including the Consolidated Total Leverage Ratio and Consolidated Senior Leverage Ratio, a general tightening of the exceptions to the negative covenants (principally by means of reducing the types and amounts of permitted transactions) and an increase to the interest rates and fees payable with respect to the borrowings under the amended credit agreement. The following table compares the old and new covenant requirements.

	Prior	As Amended
Consolidated Total Leverage Ratio:		
July 1, 2009 through September 30, 2009	6.50 to 1.00	6.75 to 1.00
October 1, 2009 to December 31, 2009	6.50 to 1.00	8.75 to 1.00
January 1, 2010 through March 31, 2010	6.50 to 1.00	9.50 to 1.00
April 1, 2010 through June 30, 2010	6.50 to 1.00	10.25 to 1.00
July 1, 2010 through September 30, 2010	6.25 to 1.00	9.25 to 1.00
October 1, 2010 through and including March 31, 2011	6.25 to 1.00	7.75 to 1.00
April 1, 2011 and thereafter	6.00 to 1.00	6.00 to 1.00
Consolidated Senior Leverage Ratio:		
July 1, 2009 through September 30, 2009	4.50 to 1.00	5.50 to 1.00
October 1, 2009 to December 31, 2009	4.50 to 1.00	7.00 to 1.00
January 1, 2010 through March 31, 2010	4.25 to 1.00	7.00 to 1.00
April 1, 2010 through June 30, 2010	4.25 to 1.00	7.50 to 1.00
July 1, 2010 through September 30, 2010	4.25 to 1.00	6.75 to 1.00
October 1, 2010 through and including March 31, 2011	4.25 to 1.00	5.50 to 1.00
April 1, 2011 and thereafter	4.00 to 1.00	4.00 to 1.00

The Amended Nexstar Credit Agreement revises the calculation of Consolidated Total Leverage Ratio to exclude the netting of cash and cash equivalents against total debt.

On an annual basis following the delivery of Nexstar s Broadcasting, Inc. s year end financial statements, the Amended Nexstar Credit Agreement requires mandatory prepayments of principal, as well as a permanent

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reduction in revolving credit commitments, subject to a computation of excess cash flow for the preceding fiscal year. The amended agreement also places additional restrictions on the use of proceeds from asset sales, equity issuances, or debt issuances (with the result that such proceeds, subject to certain exceptions, be used for mandatory prepayments of principal and permanent reductions in revolving credit commitments), and includes an anti-cash hoarding provision which requires that the Company utilize unrestricted cash and cash equivalent balances in excess of $15.0 million to repay principal amounts outstanding, but not permanently reduce capacity, under the revolving credit facility.

The Amended Nexstar Credit Agreement also revised the interest rate provisions. As amended, borrowings under the Facility may bear interest at either (i) a Eurodollar Rate, which has been amended to include an interest rate floor equal to 1% or (ii) a Base Rate, which, as amended, is defined as the greater of (1) the sum of 1/2 of 1% plus the Federal Funds Rate, (2) Bank of America, N.A. s prime rate and (3) the sum of (x) 1% plus (y) the Eurodollar Rate. The definition of applicable margin was changed to eliminate the pricing grid and replace it with a fixed rate. As amended, the applicable margin for Eurodollar loans is a rate per annum equal to 4% and the applicable margin for Base Rate loans is a rate per annum equal to 3%.

On October 8, 2009, Mission also amended its credit facility and made changes to its credit agreement that generally mirror the changes made to the Nexstar credit agreement.

The Amended Nexstar Credit Agreement expanded certain cross-default provisions such that the breach of certain warranties, representations or covenants under the Amended Mission Credit Agreement now constitute an event of default under the Amended Nexstar Credit Agreement.

As of September 30, 2009, we were in compliance with all indentures governing the publicly-held notes. As of September 30, 2009, we were not in compliance with all covenants contained in the credit agreements governing our senior credit facility. On October 8, 2009, we amended our credit facility to modify certain covenants. See Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments for a more complete discussion of the credit facility amendment. The October 8, 2009 debt amendment contained a limited waiver for the leverage ratios which cured the violation as of September 30, 2009.

On March 30, 2009, we closed an offer to exchange $143,600,000 of the 7% senior subordinated notes due 2014 in exchange for $142,320,761 7% senior subordinated PIK Notes due 2014 (the PIK Notes). Based on the financial covenants in the senior credit facility, the PIK Notes are not included in the debt amount used to calculate the total leverage ratio until January 2011. In addition to the debt exchange, we have undertaken certain actions as part of our efforts to ensure we will be in compliance with our debt covenants including 1) the elimination of corporate bonuses for 2008 and 2009, 2) the consolidation of various back office processes in certain markets, 3) the execution of a management services agreement whereby Nexstar operates seven stations in exchange for a service fee, 4) the consummation of a purchase agreement on March 12, 2009 to acquire all the assets of KARZ and the consummation of a purchase agreement on May 1, 2009 to acquire all the assets of WCWJ, 5) the October 8, 2009 amendment to the senior credit facility, which modified certain covenants and 6) obtaining the limited waiver of the leverage ratios as of September 30, 2009, in conjunction with the credit amendments.

We believe the consummation of the exchange offer along with the debt amendment and other actions described above, will allow us to maintain compliance with all covenants contained in the credit agreements governing our senior secured facility and the indentures governing our publicly held notes for a period of at least the next twelve months from September 30, 2009. However, no assurance can be provided that our actions will be successful or that further adverse events outside of our control may arise that would result in our inability to comply with the debt covenants. In such event, we would consider a range of transactions or strategies to address any such situation. For example, we might decide to divest non-core assets, refinance our existing debt or obtain additional equity financing. There is no assurance that any such transactions, or any other transactions, or strategies we might consider, could be consummated on terms satisfactory to us or at all.

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Cash Requirements for Digital Television (DTV) Conversion

On June 12, 2009 all full-power television broadcasters were required to cease operating in an analog format and operate exclusively in digital (DTV) format. As of November 30, 2009, all of Nexstar s and Mission s stations have completed the transition to digital operations; however, Nexstar is working with the FCC with respect to KMID s authorization.

DTV conversion expenditures were $23.3 million, $8.6 million and $14.3 million, respectively, for the years ended December 31, 2008, 2007 and 2006. DTV conversion expenditures were $8.2 million and $13.5 million, respectively, for the nine months ended September 30, 2009 and 2008, respectively.

No Off-Balance Sheet Arrangements

At December 31, 2008, 2007 and 2006 and September 30, 2009, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. All of our arrangements with Mission are on-balance sheet arrangements. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Contractual Obligations

The following summarizes Nexstar s and Mission s contractual obligations at December 31, 2008, and the effect such obligations are expected to have on the Company s liquidity and cash flow in future periods:

	Total	2009	2010-2011	2012-2013	Thereafter
		(dollars in thousands)			
Nexstar senior credit facility	$ 182,087	1,758	3,516	176,813	
Mission senior credit facility	174,087	1,727	3,454	168,906	
Senior subordinated PIK notes due 2014	42,628				42,628
7% senior subordinated notes due 2014 (3)	192,486				192,486
11.375% senior discount notes due 2013	77,820			77,820	
Cash interest on debt	188,810	34,237	81,864	62,775	9,934
Broadcast rights current cash commitments (1)	11,941	6,366	4,425	1,150	
Broadcast rights future cash commitments	13,390	1,979	8,789	2,524	98
Executive employee contracts (2)	27,372	7,142	13,968	6,262	
Operating lease obligations	63,036	4,236	8,132	8,738	41,930
KWBF purchase price obligation	3,600	3,600			
Total contractual cash obligations	977,257	61,045	124,148	505,194	286,870

(1) Excludes broadcast rights barter payable commitments recorded on the financial statements at December 31, 2008 in the amount of $13.8 million.
(2) Includes the employment contracts for all corporate executive employees and general managers of our stations.
(3)

See Note 24 in Notes to the Consolidated Financial Statements on page F-84 of this document for discussion of debt exchange involving the 7% senior subordinated notes.

As discussed in Note 16, Income Taxes, on page F-68 of the Notes to the Consolidated Financial Statements, we adopted interpretive guidance related to accounting or uncertainty in income taxes as of January 1, 2008. At December 31, 2008, we had $3.7 million of unrecognized tax benefits. This liability represents an estimate of tax positions that the corporation has taken in its tax returns which may ultimately not be sustained upon examination by the tax authorities. The resolution of these tax positions may not require cash settlement due to the existence of net operating loss carryforwards.

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Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. On an ongoing basis, we evaluate our estimates, including those related to goodwill and intangible assets, bad debts, broadcast rights, trade and barter, income taxes, commitments and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

For an overview of our significant accounting policies, we refer you to Note 2 of our consolidated financial statements on page F-41. We believe the following critical accounting policies are those that are the most important to the presentation of our consolidated financial statements, affect our more significant estimates and assumptions, and require the most subjective or complex judgments by management.

Consolidation of Mission and Variable Interest Entities

Our consolidated financial statements include the accounts of independently-owned Mission and certain other entities when it has been determined that the Company is the primary beneficiary of a variable interest entity (VIE). Under U.S. GAAP, a company must consolidate an entity when it has a controlling financial interest resulting from ownership of a majority of the entity s voting rights. Accounting standards expand the definition of controlling financial interest to include factors other than equity ownership and voting rights.

In applying these accounting standards, we must base our decision to consolidate an entity on quantitative and qualitative factors that indicate whether or not we are absorbing a majority of the entity s economic risks or receiving a majority of the entity s economic rewards. Our evaluation of the risks and rewards model must be an ongoing process and may alter as facts and circumstances change.

Mission is included in our consolidated financial statements because we believe we have a controlling financial interest in Mission as a result of local service agreements we have with each of Mission s stations, our guarantee of the obligations incurred under Mission s senior credit facility and purchase options (which expire on various dates between 2011 and 2018) granted by Mission s sole shareholder which will permit us to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. We expect these option agreements to be renewed upon expiration.

In addition, generally in connection with acquisitions, the Company enters into time brokerage agreements (TBA) and begins programming and selling advertising for a station before receiving FCC consent to the transfer of the station s ownership and broadcast license. We include a station programmed under a TBA in our consolidated financial statements because we believe that we have a controlling financial interest in the station as a result of the Company assuming the credit risk of advertising revenue it sells on the station, its obligation to pay for substantially all the station s reasonable operating expenses, as required under the TBA agreement, and in connection with our entry into a purchase agreement, that the sale of the station and transfer of the station s broadcast license will occur within a reasonable period of time.

Valuation of Goodwill and Intangible Assets

Approximately $390.5 million, or 62.3%, of our total assets as of December 31, 2008 consisted of unamortized intangible assets. Intangible assets principally include FCC licenses, goodwill and network affiliation agreements. If the fair value of these assets is less than the carrying value, we may be required to record an impairment charge.

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As required by the authoritative guidance for goodwill and other intangible assets, we test the impairment of our FCC licenses annually or whenever events or changes in circumstances indicate that such assets might be impaired. The impairment test consists of a comparison of the fair value of FCC licenses with their carrying amount on a station-by-station basis using a discounted cash flow valuation method, assuming a hypothetical startup scenario.

Also as required by the authoritative guidance for goodwill and other intangible assets, we test the impairment of our goodwill annually or whenever events or changes in circumstances indicate that goodwill might be impaired. The first step of the goodwill impairment test compares the fair value of the market (reporting unit) to its carrying amount, including goodwill. The fair value of a reporting unit is determined through the use of a discounted cash flow analysis. The valuation assumptions used in the discounted cash flow model reflect historical performance of the reporting unit and the prevailing values in the markets for broadcasting properties. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by performing an assumed purchase price allocation, using the reporting unit s fair value (as determined in the first step described above) as the purchase price. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recognized in an amount equal to that excess but not more than the carrying value of goodwill.

In accordance with the authoritative guidance for accounting for long-lived assets, the Company tests network affiliation agreements whenever events or circumstances indicate that their carrying amount may not be recoverable, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. An impairment in the carrying amount of a network affiliation agreement is recognized when the expected future operating cash flow derived from the operations to which the asset relates is less than its carrying value.

We tested our network affiliation, FCC licenses and goodwill for impairment as of September 30, 2008, between the required annual tests, because we believed events had occurred and circumstances changed that would more likely than not reduce the fair value of our reporting units below their carrying amounts and that our FCC licenses and network affiliation agreements might be impaired. These events included the decline in overall economic conditions and the resulting decline in advertising revenues at some of our television stations. We recorded an impairment charge of $48.5 million as a result of that test which included an impairment to the carrying values of FCC licenses of $19.7 million, related to 12 of our television stations; an impairment to the carrying value of network affiliation agreements of $1.0 million, related to 3 of our television stations; and an impairment to the carrying values of goodwill of $27.8 million, related to 5 reporting units consisting of 6 of our television stations.

We performed our annual test for impairment at December 31, 2008 and due to the continued decline in overall economic conditions during the fourth quarter of 2008 and the further decline in our forecasts for advertising revenues at some stations, the Company recorded an additional $33.9 million in impairment charges, for an annual total of $82.4 million. Of the additional $33.9 million impairment charges, $21.7 million was for FCC licenses, related to 21 of our television stations, $1.1 million was for network affiliation agreements related to 2 television stations, and $11.1 million was for goodwill, related to 8 reporting units consisting of 10 of our television stations.

Further deterioration in the advertising marketplaces in which Nexstar and Mission operate could lead to further impairment and reduction of the carrying value of the Company s goodwill and intangible assets, including FCC licenses and network affiliation agreements. If such a condition were to occur, the resulting non-cash charge could have a material adverse effect on Nexstar and Mission s financial position and results of operations.

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The tables below illustrate how assumptions used in the fair value calculations varied from third quarter to fourth quarter 2008. The increase in the discount rate reflects the current volatility of stock prices of public companies within the media sector along with the increase in the corporate borrowing rate. The changes in the market growth rates and operating profit margins reflect the current general economic pressures now impacting both the national and a number of local economies, and specifically, national and local advertising expenditures in the markets where our stations operate.

The assumptions used in the valuation testing have certain subjective components including anticipated future operating results and cash flows based on our own internal business plans as well as future expectations about general economic and local market conditions.

We based the valuation of FCC licenses at December 31, 2008 and September 30, 2008 on the following basic assumptions:

	December 31, 2008	September 30, 2008
Market growth rates	2.0% to 2.8%	2.0% to 2.8%
Operating profit margins	11.9% to 33.7%	12.1% to 34.1%
Discount rate	10.8%	9.5%
Tax rate	34.0% to 40.6%	34.0% to 40.6%
Capitalization rate	8.0% to 8.8%	6.8% to 7.5%

We based the valuation of network affiliation agreements at December 31, 2008 and September 30, 2008 on the following basic assumptions:

	December 31, 2008	September 30, 2008
Market growth rates	2.0% to 2.8%	2.0% to 2.8%
Operating profit margins	20.0% to 42.1%	14.3% to 42.6%
Discount rate	10.8%	9.5%
Tax rate	34.0% to 40.6%	34.0% to 40.6%
Capitalization rate	8.0% to 8.8%	6.8% to 7.5%

We based the valuation of goodwill at December 31, 2008 and September 30, 2008 on the following basic assumptions:

	December 31, 2008	September 30, 2008
Market revenue growth	2.0% to 2.8%	2.0% to 2.8%
Operating profit margins	20.0% to 42.1%	20.0% to 42.6%
Discount rate	10.8%	9.5%
Tax rate	34.0% to 40.6%	34.0% to 40.6%
Capitalization rate	8.0% to 8.8%	6.8% to 7.5%

As noted above, we are required under the authoritative guidance to test our indefinite-lived intangible assets on an annual basis or whenever events or changes in circumstances indicate that these assets might be impaired.

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer s inability to meet its financial obligations, we record a specific reserve to reduce the amounts recorded to what we believe will be collected. If the financial condition of our customers were to deteriorate, resulting in their inability to make payments, additional allowances may be required. Allowance for doubtful accounts were $0.8 million and $1.2 million at December 31, 2008 and 2007, respectively.

Broadcast Rights Carrying Amount

Broadcast rights are stated at the lower of unamortized cost or net realizable value. Cash broadcast rights are initially recorded at the amount paid or payable to program distributors for the limited right to broadcast the distributors programming. Barter broadcast rights are recorded at our estimate of the value of the advertising time exchanged, which approximates the fair value of the programming received. The value of the advertising time exchanged is estimated by applying average historical rates for specific time periods. Amortization of broadcast rights is computed using the straight-line method based on the license period or programming usage, whichever period yields the shorter life. The current portion of broadcast rights represents those rights available for broadcast which will be amortized in the succeeding year. When projected future net revenue associated with a program is less than the current carrying amount of the program broadcast rights, for example, due to poor ratings, we write-down the unamortized cost of the broadcast rights to equal the amount of projected future net revenue. If the expected broadcast period was shortened or cancelled we would be required to write-off the remaining value of the related broadcast rights to operations on an accelerated basis or possibly immediately. As of December 31, 2008, the amounts of current broadcast rights and non-current broadcast rights were $14.3 million and $9.3 million, respectively.

Trade and Barter Transactions

We trade certain advertising time for various goods and services. These transactions are recorded at the estimated fair value of the goods or services received. We barter advertising time for certain program material. These transactions, except those involving exchange of advertising time for network programming, are recorded at management s estimate of the value of the advertising time exchanged, which approximates the fair value of the program material received. The value of advertising time exchanged is estimated by applying average historical advertising rates for specific time periods. We recorded barter revenue of $11.7 million, $12.4 million and $11.6 million for the years ended December 31, 2008, 2007 and 2006, respectively. Trade revenue of $6.6 million, $7.0 million and $7.4 million was recorded for the years ended December 31, 2008, 2007 and 2006, respectively. We incurred trade and barter expense of $17.9 million, $18.4 million and $18.7 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Income Taxes

We account for income taxes in accordance with applicable accounting and disclosure requirements for income taxes. Pursuant to these requirements, we account for income taxes under the asset and liability method which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. A valuation allowance is applied against net deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. While we have considered future taxable income and feasible tax planning strategies in assessing the need for a valuation allowance, in the event that we were to determine that we would not be able to realize all or part of our deferred tax assets in the future, an adjustment to the valuation allowance would be charged to income in the period such a determination was made.

On January 1, 2007, we adopted interpretive guidance related to income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. The determination is based on the technical merits of the position and presumes that each uncertain tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information. For interest and penalties relating to income taxes we recognize these items as components of income tax expense.

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Stock Option Expense Recognition

Effective January 1, 2006, we adopted accounting and disclosure requirements related to share-based payments, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair value. We recognize the expense related to our stock options over the period that the employee is required to provide services, and only to the extent the awards vest. Therefore, we apply an estimated forfeiture rate assumption to adjust compensation cost for the effect of those employees that are not expected to complete the requisite service period and will forfeit nonvested options. We base the forfeiture rate assumption on Nexstar s historical experience of award forfeitures, and as necessary, adjusted for certain events that are not expected to recur during the expected term of the option.

We determine the fair value of employee stock options at the date of grant using the Black-Scholes option pricing model. Our valuation of employee stock options relies on assumptions of factors we are required to input into the Black-Scholes model. These assumptions are highly subjective and involve an estimate of future uncertain events. The option pricing model requires us to input factors for expected stock price volatility and the expected term until exercise of the option award. Due to our limited history of publicly traded shares, we combine our historical stock price data and volatilities of peer companies in the television broadcasting industry when determining expected volatility. Based on a lack of historical option exercise experience, we use the weighted-average of the holding periods for all options granted to determine the expected term assumption. Utilizing historical exercise and post-vesting cancellation experience of Nexstar s stock option awards, the expected term is the average interval between the grant and exercise or post-vesting cancellation dates.

Claims and Loss Contingencies

In the normal course of business, we are party to various claims and legal proceedings. We record a liability for these matters when an adverse outcome is probable and the amount of loss is reasonably estimated. We consider a combination of factors when estimating probable losses, including judgments about potential actions by counterparties.

Nonmonetary Asset Exchanges

In connection with a spectrum allocation exchange ordered by the FCC within the 1.9 GHz band, Sprint Nextel Corporation (Nextel) is required to replace certain existing analog equipment with comparable digital equipment. The Company has agreed to accept the substitute equipment that Nextel will provide and in turn must relinquish its existing equipment to Nextel. Neither party will have any continuing involvement in the equipment transferred following the exchange. We account for this arrangement as an exchange of assets in accordance with accounting and disclosure requirements for exchanges of nonmonetary assets.

These transactions are recorded at the estimated fair market value of the equipment received. We derive our estimate of fair market value from the most recent prices paid to manufacturers and vendors for the specific equipment we acquire. As equipment is exchanged, the Company records a gain to the extent that the fair market value of the equipment received exceeds the carrying amount of the equipment relinquished.

Recent Accounting Pronouncements

The Company adopted, effective January 1, 2008, the Financial Accounting Standard Board s (the FASB) accounting and disclosure requirements pertaining to fair value measurements for financial assets and financial liabilities measured on a recurring basis. These requirements apply to all financial assets and financial liabilities that are being measured and reported on a fair value basis. There was no impact for adoption of this standard to the Consolidated Financial Statements as it relates to financial assets and financial liabilities. The new standard requires disclosure that establishes a framework for measuring fair value and expands disclosure about fair value

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measurements. The standard requires fair value measurement be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In February 2008, the FASB deferred the effective date of the above standard to January 1, 2009 for all nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value on a recurring basis (that is, at least annually). Management is currently evaluating the impact the adoption of this standard will have on the Company s consolidated financial statements, but does not presently anticipate it will have a material effect on its consolidated financial position or results of operations.

In February 2007, the FASB issued new guidance, which provides a fair value measurement option for eligible financial assets and liabilities. Under this guidance, an entity is permitted to elect to apply fair value accounting to a single eligible item, subject to certain exceptions, without electing it for other identical items and include unrealized gains and losses in earnings. The fair value option established by this guidance is irrevocable, unless a new election date occurs. This standard reduces the complexity in accounting for financial instruments and mitigates volatility in earnings caused by measuring related assets and liabilities differently. This standard is effective as of the beginning of an entity s first fiscal year beginning after November 15, 2007 which for the Company was January 1, 2008. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of certain other guidance related to fair value measurement. The Company adopted the provisions of this standard beginning in fiscal 2008. Management determined that the adoption had no effect on its consolidated financial position or results of operations.

In December 2007, the FASB issued authoritative guidance for business combinations, which establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. This standard also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This standard is effective for fiscal years beginning after December 15, 2008. Early adoption is not permitted. Management is currently evaluating the impact the adoption of the standard will have on the Company s consolidated financial statements, but does not presently anticipate it will have a material impact on its consolidated financial position or results of operations.

In December 2007, the FASB issued authoritative guidance, which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This standard is effective for fiscal years beginning after December 15, 2008. Management is currently evaluating the impact the adoption of the standard will have on the Company s consolidated financial statements, but does not presently anticipate it will have a material effect on its consolidated financial position or results of operations.

In April 2008, the FASB issued guidance related to the determination of the useful life of intangible assets, which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under the accounting and disclosure requirements related to goodwill and other intangible assets. This guidance is effective for fiscal years beginning after December 15, 2008 and only applies prospectively to intangible assets acquired after the effective date. Early adoption is not permitted. Management is currently evaluating the impact that this guidance will have on our consolidated financial position or results of operations.

Refer to Note 2 of our condensed consolidated financial statements on page F-48 of this prospectus for a discussion of recently issued accounting pronouncements, including our expected date of adoption and effects on results of operations and financial position.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt obligations.

The term loan borrowings at September 30, 2009 under the senior credit facilities bear interest at a weighted average interest rate of 2.13%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. The revolving loan borrowings at September 30, 2009 under the senior credit facilities bear interest at a weighted average interest rate of 1.98%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. Interest is payable in accordance with the credit agreements.

The following table estimates the changes to cash flow from operations as of September 30, 2009 if interest rates were to fluctuate by 100 or 50 basis points, or BPS (where 100 basis points represents one percentage point), for a twelve-month period:

	Interest rate decrease		Interest rate increase	
	100 BPS	50 BPS	50 BPS	100 BPS
	(in thousands)		(in thousands)	
Senior credit facilities	$ 4,076	$ 2,038	$ (2,038)	$ (4,076)

All term loan borrowings at December 31, 2008 under the senior credit facilities bear interest at 3.21%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. Revolving loan borrowings at December 31, 2008 under Nexstar s senior credit facility bear interest at 4.67% and 2.71%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. All revolving loan borrowings at December 31, 2008 under Mission s senior credit facility bear interest at 2.71%, which represented the base rate, or LIBOR, plus the applicable margin, as defined. Interest is payable in accordance with the credit agreements.

The following table estimates the changes to cash flow from operations as of December 31, 2008 if interest rates were to fluctuate by 100 or 50 basis points, or BPS (where 100 basis points represents one percentage point), for a twelve-month period:

	Interest rate decrease		Interest rate increase	
	100 BPS	50 BPS	100 BPS	50 BPS
	(in thousands)		(in thousands)	
Senior credit facilities	$ 3,562	$ 1,781	$ (1,781)	$ (3,562)

Our 7% notes, our two senior subordinated PIK notes due 2014, and our 11.375% senior discount notes due 2013 are fixed rate debt obligations and therefore do not result in a change in our cash flow from operations. As of September 30, 2009, we have no financial instruments in place to hedge against changes in the benchmark interest rates on this fixed rate debt.

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The fair value of long-term fixed interest rate debt is also subject to interest rate risk. Generally, the fair value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of the Company s total long-term debt at December 31, 2008 was approximately $442.5 million, which was approximately $219.6 million less than its carrying value. Fair values are determined from quoted market prices where available or based on estimates made by investment banking firms.

Given the interest rates that were in effect at December 31, 2007, as of that date, we estimated that our cash flows from operations would have increased by approximately $3.6 million and $1.8 million, respectively, for a 100 BPS and 50 BPS interest rate decrease, and decreased by approximately $1.8 million and $3.6 million, respectively, for a 50 BPS and 100 BPS interest rate increase. The estimated fair value of the Company s total long-term debt at December 31, 2007 was approximately $671.4 million, which was approximately $9.8 million less than its carrying value.

Impact of Inflation

We believe that our results of operations are not affected by moderate changes in the inflation rate.

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BUSINESS

Overview

We are a television broadcasting company focused exclusively on the acquisition, development and operation of television stations in medium-sized markets in the United States, primarily markets that rank from 50 to 175 out of the 210 generally recognized television markets, as reported by A.C. Nielsen Company. As of September 30, 2009, we owned and operated 34 stations, and provided sales or other services to an additional 25 stations that are owned by Mission and other entities. In 21 of the 34 markets that we serve, we own, operate, program or provide sales and other services to more than one station. We refer to these markets as duopoly markets. We have more than doubled the size of our portfolio since January 1, 2003, having acquired 20 stations and begun providing services to 17 additional stations. The stations that we own, operate, program or provide sales and other services to are in markets located in New York, Pennsylvania, Illinois, Indiana, Missouri, Texas, Louisiana, Arkansas, Alabama, Utah, Florida, Montana, Rhode Island and Maryland. These stations are diverse in their network affiliations: 47 have primary affiliation agreements with one of the four major networks 15 with FOX, 12 with NBC, 9 with ABC and 11 with CBS. Seven of the remaining twelve stations have agreements with MyNetworkTV; four stations have an agreement with The CW and one station has an agreement with Azteca America.

On October 7, 2008, Nexstar Broadcasting Group, Inc. announced that it entered into a definitive agreement to acquire the assets of KWBF the MyNetworkTV affiliate serving the Little Rock, Arkansas market for $4.0 million from Equity Broadcasting Corp. In February 2009 the station was re-launched under the call letters KARZ-TV. Closing of the acquisition occurred on March 12, 2009.

As of January 1, 2009, KBTV in Beaumont, Texas became a FOX affiliate. KBTV s NBC network affiliation expired on December 31, 2008.

On January 28, 2009, Nexstar entered into a definitive agreement to acquire the assets of WCWJ, a CW affiliate serving the Jacksonville, Florida market. This transaction received FCC approval and closed on May 1, 2009.

We believe that medium-sized markets offer significant advantages over large-sized markets, most of which result from a lower level of competition. First, because there are fewer well-capitalized acquirers with a medium-market focus, we have been successful in purchasing stations on more favorable terms than acquirers of large market stations. Second, in the majority of our markets only five or fewer local commercial television stations exist. As a result, we achieve lower programming costs than stations in larger markets because the supply of quality programming exceeds the demand.

The stations we own and operate or provide services to provide free over-the-air programming to our markets television viewing audiences. This programming includes (a) programs produced by networks with which the stations are affiliated; (b) programs that the stations produce; and (c) first-run and rerun syndicated programs that the stations acquire. Our primary source of revenue is the sale of commercial air time to local and national advertisers.

We seek to grow our revenue and broadcast cash flow by increasing the audience and revenue shares of the stations we own, operate, program or provide sales and other services to. We strive to increase the audience share of the stations by creating a strong local broadcasting presence based on highly rated local news, local sports coverage and active community sponsorship. We seek to improve revenue share by employing and supporting a high-quality local sales force that leverages the stations strong local brand and community presence with local advertisers.

Additionally, we further improve broadcast cash flow by maintaining strict control over operating and programming costs. The benefits achieved through these initiatives are magnified in our duopoly markets by broadcasting the programming of multiple networks, capitalizing on multiple sales forces and achieving an increased level of operational efficiency. As a result of our operational enhancements, we expect revenue from the stations we have acquired or begun providing services to in the last four years to grow faster than that of our more mature stations.

We completed our initial public offering on November 28, 2003. Concurrent with our offering, we completed a corporate reorganization whereby our predecessor, Nexstar Broadcasting Group, L.L.C., and certain direct and indirect subsidiaries of Nexstar Broadcasting Group, L.L.C. merged with and into us. Nexstar Broadcasting Group, L.L.C. was organized as a limited liability company on December 12, 1996 in the State of Delaware and commenced operations on April 15, 1997.

Our principal offices are at 5215 North O Connor Blvd., Suite 1400, Irving, TX 75039. Our telephone number is (972) 373-8800 and our website is http://*www.nexstar.tv*.

Operating Strategy

We seek to generate revenue and broadcast cash flow growth through the following strategies:

Develop Leading Local Franchises. Each of the stations that we own, operate, program, or provide sales and other services to creates a highly recognizable local brand, primarily through the quality of local news programming and community presence. Based on internally generated analysis, we believe that in approximately two-thirds of our markets that feature local newscasts produced by Nexstar, we rank among the top two stations in local news viewership. Strong local news typically generates higher ratings among attractive demographic profiles and enhances audience loyalty, which may result in higher ratings for programs both preceding and following the news. High ratings and strong community identity make the stations that we own, operate, program, or provide sales and other services to more attractive to local advertisers. For the year ended December 31, 2008 we earned approximately one-third of our advertising revenue from spots aired during local news programming. As of December 31, 2008, our stations and the stations we provide services to provided approximately 675 hours per week of local news programming. Extensive local sports coverage and active sponsorship of community events further differentiate us from our competitors and strengthen our community relationships and our local advertising appeal.

Emphasize Local Sales. We employ a high-quality local sales force in each of our markets to increase revenue from local advertisers by capitalizing on our investment in local programming. We believe that local advertising is attractive because our sales force is more effective with local advertisers, giving us a greater ability to influence this revenue source. Additionally, local advertising has historically been a more stable source of revenue than national advertising for television broadcasters. For the year ended December 31, 2008, revenue generated from local advertising represented 72.2% of our consolidated spot revenue (total of local and national advertising revenue, excluding political advertising revenue). In most of our markets, we have increased the size and quality of our local sales force. We also invest in our sales efforts by implementing comprehensive training programs and employing a sophisticated inventory tracking system to help maximize advertising rates and the amount of inventory sold in each time period.

Operate Duopoly Markets. Owning or providing services to more than one station in a given market enables us to broaden our audience share, enhance our revenue share and achieve significant operating efficiencies. Duopoly markets broaden audience share by providing programming from multiple networks with different targeted demographics. These markets increase revenue share by capitalizing on multiple sales forces. Additionally, we achieve significant operating efficiencies by consolidating physical facilities, eliminating redundant management and leveraging capital expenditures between stations. We derived approximately 71.3% of our net broadcast revenue for the year ended December 31, 2008 from our duopoly markets.

Maintain Strict Cost Controls. We emphasize strict controls on operating and programming costs in order to increase broadcast cash flow. We continually seek to identify and implement cost savings at each of our stations

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and the stations we provide services to and our overall size benefits each station with respect to negotiating favorable terms with programming suppliers and other vendors. By leveraging our size and corporate management expertise, we are able to achieve economies of scale by providing programming, financial, sales and marketing support to our stations and the stations we provide services to. Due to the significant negotiating leverage afforded by limited competition in our markets, Nexstar and Mission on a combined basis reduced the cash broadcast payments as a percentage of net broadcast revenue for the years ended December 31, 2008 and 2007 as compared to the previous three years. Our and Mission s cash broadcast payments were 3.1%, 3.4%, 3.4%, 4.7% and 4.6% of net broadcast revenue for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively.

Capitalize on Diverse Network Affiliations. We currently own, operate, program, or provide sales and other services to a balanced portfolio of television stations with diverse network affiliations, including NBC, CBS, ABC, and Fox affiliated stations which represented approximately 33.0%, 28.1%, 14.7% and 23.7% respectively, of our 2008 net broadcast revenue. The networks provide these stations with quality programming and numerous sporting events such as NBA basketball, Major League baseball, NFL football, NCAA sports, PGA golf and the Olympic Games. Because network programming and ratings change frequently, the diversity of our station portfolio s network affiliations reduces our reliance on the quality of programming from a single network.

Attract and Retain High Quality Management. We seek to attract and retain station general managers with proven track records in larger television markets by providing equity incentives not typically offered by other station operators in our markets. Our station general managers have been granted stock options and have an average of over 20 years of experience in the television broadcasting industry.

Acquisition Strategy

We selectively pursue acquisitions of television stations primarily in markets ranking from 50 to 175 out of the 210 generally recognized television markets, where we believe we can improve revenue and cash flow through active management. Since January 1, 2003, we have more than doubled the number of stations that we own, operate and provide sales and other services to, having acquired 20 stations and contracted to provide services to 17 additional stations. When considering an acquisition, we evaluate the target audience share, revenue share, overall cost structure and proximity to our regional clusters. Additionally, we seek to acquire or enter into local service agreements with stations to create duopoly markets. The Amendment to our senior credit facility specifically restricts our ability to pursue our acquisition strategy.

Relationship with Mission

Through various local service agreements with Mission, we currently provide sales, programming and other services to 16 television stations that are owned and operated by Mission. Mission is 100% owned by an independent third party. We do not own Mission or any of its television stations. In order for both us and Mission to comply with Federal Communications Commission (FCC) regulations, Mission maintains complete responsibility for and control over programming, finances, personnel and operations of its stations. However, as a result of (a) local service agreements Nexstar has with the Mission stations, (b) Nexstar s guarantee of the obligations incurred under Mission s senior credit facility and (c) purchase options (which expire on various dates between 2011 and 2018) granted by Mission s sole shareholder which will permit Nexstar to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent, we are deemed under accounting principles generally accepted in the United States of America (U.S. GAAP) to have a controlling financial interest in Mission. As a result of our controlling financial interest in Mission under U.S. GAAP and in order to present fairly our financial position, results of operations and cash flows, we consolidate the financial position, results of operations and cash flows of Mission with us as if Mission were a wholly-owned entity. We expect these option agreements to be renewed upon expiration.

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The Stations

The following chart sets forth general information about the stations we owned, operated, programmed or provided sales and other services to as of December 31, 2008:

Market Rank (1)	Market	Station	Affiliation	Status	Commercial Stations in Market (3)	FCC License Expiration Date
9	Washington, DC/Hagerstown, MD (4)	WHAG	NBC	O&O		(5)
41	Harrisburg-Lancaster-Lebanon-York, PA	WLYH	The CW	O&O (6)	6	(5)
54	Wilkes Barre-Scranton, PA	WBRE	NBC	O&O	7	(5)
		WYOU	CBS	LSA		(5)
56	Little Rock-Pine Bluff, AR	KARK	NBC	O&O	7	(5)
74	Springfield, MO	KOLR	CBS	LSA	6	(5)
		KSFX	Fox	O&O		(5)
80	Rochester, NY	WROC	CBS	O&O	4	(5)
		WUHF	Fox	LSA		(5)
83	Champaign-Springfield-Decatur, IL	WCIA	CBS	O&O	6	(5)
		WCFN	MyNetworkTV	O&O		(5)
84	Shreveport, LA	KTAL	NBC	O&O	7	8/1/14
100	Ft. Smith-Fayetteville- Springdale-Rogers, AR		Fox/NBC			
		KFTA		O&O		
		KNWA	NBC	O&O	6	6/1/13 (5)
101	Johnstown-Altoona, PA	WTAJ	CBS	O&O	6	(5)
102	Evansville, IN	WTVW	Fox	O&O	6	(5)
107	Ft. Wayne, IN	WFFT	Fox	O&O	4	(5)
116	Peoria-Bloomington, IL	WMBD	CBS	O&O	5	(5)
		WYZZ	Fox	LSA		(5)
131	Amarillo, TX	KAMR	NBC	O&O	5	(5)
		KCIT	Fox	LSA		(5)
		KCPN-LP	MyNetworkTV	LSA		(5)
132	Rockford, IL	WQRF	Fox	O&O	4	(5)
		WTVO	ABC	LSA		(5)
136	Monroe, LA-El Dorado, AR		Fox		6	
		KARD		O&O		(5)
		KTVE	NBC	LSA		(5)
141	Beaumont-Port Arthur, TX	KBTV	Fox	O&O (7)	4	(5)
143	Lubbock, TX	KLBK	CBS	O&O	5	(5)
		KAMC	ABC	LSA		(5)
145	Wichita Falls, TX-Lawton, OK	KFDX	NBC	O&O	5	(5)
		KJTL	Fox	LSA		(5)
		KJBO-LP	MyNetworkTV	LSA		(5)
146	Erie, PA	WJET	ABC	O&O	4	(5)
		WFXP	Fox	LSA		(5)
148	Joplin, MO-Pittsburg, KS	KSNF	NBC	O&O	4	(5)
		KODE	ABC	LSA		(5)
152	Terre Haute, IN	WTWO	NBC	O&O	3	(5)
		WFXW	Fox	LSA		(5)
156	Odessa-Midland, TX	KMID	ABC	O&O	5	(5)
165	Abilene-Sweetwater, TX	KTAB	CBS	O&O	4	(5)
		KRBC	NBC	LSA		(5)

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Market Rank (1)	Market	Station	Affiliation	Status	Commercial Stations in Market (3)	FCC License Expiration Date
169	Utica, NY	WFXV	Fox	O&O	4	(5)
		WPNY-LP	MyNetworkTV	O&O		(5)
		WUTR	ABC	LSA		(5)
170	Billings, MT	KSVI	ABC	O&O	4	(5)
		KHMT	Fox	LSA		(5)
172	Dothan, AL	WDHN	ABC	O&O	3	(5)
196	San Angelo, TX	KSAN	NBC	LSA	4	(5)
		KLST	CBS	O&O		(5)
201	St. Joseph, MO	KQTV	ABC	O&O	1	(5)

(1) Market rank refers to ranking the size of the Designated Market Area (DMA) in which the station is located in relation to other DMAs. Source: *Investing in Television Market Report 2008 4th Edition,* as published by BIA Financial Network, Inc.
(2) O&O refers to stations that we own and operate. LSA, or local service agreement, is the general term we use to refer to a contract under which we provide services to a station owned and operated by an independent third party. Local service agreements include time brokerage agreements, shared services agreements, joint sales agreements and outsourcing agreements. For further information regarding the LSAs to which we are party, see Note 2 to our consolidated financial statements on page F-43.
(3) The term commercial station means a television broadcast station and excludes non-commercial stations, religious and Spanish-language stations, cable program services or networks. Source: *Investing in Television Market Report 2008 4th Edition,* as published by BIA Financial Network, Inc.
(4) Although WHAG is located within the Washington, DC DMA, its signal does not reach the entire Washington, DC metropolitan area. WHAG serves the Hagerstown, MD sub-market within the DMA.
(5) Application for renewal of license timely was submitted to the FCC. Under the FCC s rules, a license expiration date automatically is extended pending review of and action on the renewal application by the FCC.
(6) Although Nexstar owns WLYH, this station is programmed by Newport Television pursuant to a time brokerage agreement.
(7) KBTV became a Fox affiliated station effective January 1, 2009.

Industry Background

Commercial television broadcasting began in the United States on a regular basis in the 1940s. Currently a limited number of channels are available for over-the-air broadcasting in any one geographic area and a license to operate a television station must be granted by the FCC. All television stations in the country are grouped by A.C. Nielsen Company, a national audience measuring service, into 210 generally recognized television markets, known as designated market areas (DMAs), that are ranked in size according to various metrics based upon actual or potential audience. Each DMA is an exclusive geographic area consisting of all counties in which the home-market commercial stations receive the greatest percentage of total viewing hours. A.C. Nielsen periodically publishes data on estimated audiences for the television stations in the DMA. The estimates are expressed in terms of a rating, which is a station s percentage of the total potential audience in the market, or a share, which is the station s percentage of the audience actually watching television. A station s rating in the market can be a factor in determining advertising rates.

Most television stations are affiliated with networks and receive a significant part of their programming, including prime-time hours, from networks. Whether or not a station is affiliated with one of the four major networks (NBC, ABC, CBS or Fox) has a significant impact on the composition of the station s revenue, expenses and operations. Network programming, along with cash payments for some NBC, ABC and CBS affiliates, is provided to the affiliate by the network in exchange for the network s retention of a substantial majority of the advertising time during network programs. The network then sells this advertising time and retains the revenue. The affiliate retains the revenue from the remaining advertising time it sells during network programs and from advertising time it sells during non-network programs.

Broadcast television stations compete for advertising revenue primarily with other commercial broadcast television stations and cable satellite television systems and, to a lesser extent, with newspapers, radio stations and internet advertising serving the same market. Non-commercial, religious and Spanish-language broadcasting

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stations in many markets also compete with commercial stations for viewers. In addition, the Internet and other leisure activities may draw viewers away from commercial television stations.

The television broadcast industry transitioned to an advanced digital television (DTV) transmission system on June 12, 2009. DTV transmissions deliver improved video and audio signals including high definition television and have substantial multiplexing and data transmission capabilities. For each licensed television station, the FCC allocated a matching DTV channel for the transition period. Television broadcasters were required to cease analog broadcasting and return one of their channels to the FCC.

Advertising Sales

General

Television station revenue is primarily derived from the sale of local and national advertising. All network-affiliated stations are required to carry advertising sold by their networks which reduces the amount of advertising time available for sale by stations. Our and Mission s stations sell the remaining advertising to be inserted in network programming and the advertising in non-network programming, retaining all of the revenue received from these sales. A national syndicated program distributor will often retain a portion of the available advertising time for programming it supplies in exchange for no fees or reduced fees charged to stations for such programming. These programming arrangements are referred to as barter programming.

Advertisers wishing to reach a national audience usually purchase time directly from the networks, or advertise nationwide on a case-by-case basis. National advertisers who wish to reach a particular region or local audience often buy advertising time directly from local stations through national advertising sales representative firms. Local businesses purchase advertising time directly from the stations local sales staff.

Advertising rates are based upon a number of factors, including:

- a program s popularity among the viewers that an advertiser wishes to target;
- the number of advertisers competing for the available time;
- the size and the demographic composition of the market served by the station;
- the availability of alternative advertising media in the market area;
- the effectiveness of the station s sales forces;

development of projects, features and programs that tie advertiser messages to programming; and

the level of spending commitment made by the advertiser.

Advertising rates are also determined by a station s overall ability to attract viewers in its market area, as well as the station s ability to attract viewers among particular demographic groups that an advertiser may be targeting. Advertising revenue is positively affected by strong local economies. Conversely, declines in advertising budgets of advertisers, particularly in recessionary periods, adversely affect the broadcast industry and as a result may contribute to a decrease in the revenue of broadcast television stations.

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns, and certain events such as the Olympic Games or the Super Bowl. Stations advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years due to advertising placed by candidates for political offices and advertising aired during the Olympic Games.

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Local Sales

Local advertising time is sold by each station s local sales staff who call upon advertising agencies and local businesses, which typically include car dealerships, retail stores and restaurants. Compared to revenue from national advertising accounts, revenue from local advertising is generally more stable and more predictable. We seek to attract new advertisers to television and to increase the amount of advertising time sold to existing local advertisers by relying on experienced local sales forces with strong community ties, producing news and other programming with local advertising appeal and sponsoring or co-promoting local events and activities. We place a strong emphasis on the experience of our local sales staff and maintain an on-going training program for sales personnel.

National Sales

National advertising time is sold through national sales representative firms which call upon advertising agencies, whose clients typically include automobile manufacturers and dealer groups, telecommunications companies, fast food franchisers, and national retailers (some of which may advertise locally).

Network Affiliations

Each station that we own and operate, program or provide sales and other services to as of December 31, 2008 is affiliated with a network pursuant to an affiliation agreement, as described below:

Station	Market	Affiliation	Expiration
KBTV (4)	Beaumont-Port Arthur, TX	NBC	December 2008
WTVW	Evansville, IN	Fox	June 2010
WQRF	Rockford, IL	Fox	June 2010
KARD	Monroe, LA-El Dorado, AR	Fox	June 2010
KSFX	Springfield, MO	Fox	June 2010
WFXV	Utica, NY	Fox	June 2010
WFFT	Ft. Wayne, IN	Fox	June 2010
WBRE	Wilkes Barre-Scranton, PA	NBC	December 2011
WTWO	Terre Haute, IN	NBC	December 2011
KFDX	Wichita Falls, TX-Lawton, OK	NBC	December 2011
KSNF	Joplin, MO-Pittsburg, KS	NBC	December 2011
WTAJ	Johnstown-Altoona, PA	CBS	May 2010
KCIT	Amarillo, TX	Fox	June 2010
WFXP	Erie, PA	Fox	June 2010
KJTL	Wichita Falls, TX-Lawton, OK	Fox	June 2010
WFXW	Terre Haute, IN	Fox	June 2010
KHMT	Billings, MT	Fox	June 2010
KFTA	Ft. Smith-Fayetteville-Springdale-Rogers, AR	Fox/NBC	June 2010
KSAN	San Angelo, TX	NBC	December 2010
KRBC	Abilene-Sweetwater, TX	NBC	December 2010
WUTR	Utica, NY	ABC	December 2010
WDHN	Dothan, AL	ABC	December 2010
WJET	Erie, PA	ABC	December 2010

KSVI	Billings, MT	ABC	December 2010
KMID	Odessa-Midland, TX	ABC	December 2010
WTVO	Rockford, IL	ABC	December 2010
KAMC	Lubbock, TX	ABC	December 2010
KQTV	St. Joseph, MO	ABC	December 2010
WPNY-LP	Utica, NY	MyNetworkTV	August 2011
WCFN	Champaign-Springfield-Decatur, IL	MyNetworkTV	August 2011
KCPN-LP	Amarillo, TX	MyNetworkTV	August 2011

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Station	Market	Affiliation	Expiration
KJBO-LP	Wichita Falls, TX-Lawton, OK	MyNetworkTV	August 2011
WUHF (1)	Rochester, NY	Fox	March 2012
WYZZ (1)	Peoria-Bloomington, IL	Fox	March 2012
KLST	San Angelo, TX	CBS	August 2012
KTAB	Abilene-Sweetwater, TX	CBS	December 2012
KODE	Joplin, MO-Pittsburg, KS	ABC	December 2012
KNWA	Ft. Smith-Fayetteville-Springdale-Rogers, AR	NBC	January 2013
WROC	Rochester, NY	CBS	January 2013
KOLR	Springfield, MO	CBS	June 2013
KLBK	Lubbock, TX	CBS	July 2013
WCIA	Champaign-Springfield-Decatur, IL	CBS	September 2013
WMBD	Peoria-Bloomington, IL	CBS	September 2013
KAMR	Amarillo, TX	NBC	December 2014
KTAL	Shreveport, LA	NBC	December 2014
KARK	Little Rock-Pine Bluff, AR	NBC	December 2014
WHAG	Washington, DC/Hagerstown, MD(2)	NBC	December 2014
WYOU	Wilkes Barre-Scranton, PA	CBS	June 2015
WLYH (3)	Harrisburg-Lancaster-Lebanon-York, PA	The CW	September 2016
KTVE	Monroe, LA El Dorado, AR	NBC	December 2011

(1) This station is owned by a subsidiary of Sinclair Broadcasting Group, Inc. which maintains the network affiliation agreement with the Fox network.
(2) Although WHAG is located within the Washington, DC DMA, its signal does not reach the entire Washington, DC metropolitan area. WHAG serves the Hagerstown, MD sub-market within the DMA.
(3) Under a time brokerage agreement, Nexstar allows Newport Television License, LLC, Inc. to program most of WLYH s broadcast time, sell its advertising time and retain the advertising revenue generated in exchange for monthly payments to Nexstar.
(4) KBTV became a Fox affiliated station effective January 1, 2009. The Fox agreement expires in December 2013.

Each affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the network with which it is affiliated. In exchange, the network has the right to sell a substantial majority of the advertising time during these broadcasts. In addition, some stations receive compensation from the network based on the hours of network programming they broadcast.

We expect all of the network affiliation agreements listed above to be renewed upon expiration.

Competition

Competition in the television industry takes place on several levels: competition for audience, competition for programming and competition for advertising.

Audience. We compete for audience share specifically on the basis of program popularity. The popularity of a station s programming has a direct effect on the adverting rates it can charge its advertisers. A portion of the daily programming on the stations that we own or provide services to is supplied by the network with which each station is affiliated. In those periods, the stations are dependent upon the performance of the network programs in attracting viewers. Stations program non-network time periods with a combination of self-produced news, public affairs and other entertainment programming, including movies and syndicated programs. The major television networks have also begun to sell their programming directly to the consumer via portal digital devices such as video iPods and cell phones which presents an additional source of competition for television broadcaster audience share. Other sources of competition for audience include home entertainment systems, such as VCRs, DVDs and DVRs; video-on-demand and pay-per-view; the Internet; and television game devices.

Although the commercial television broadcast industry historically has been dominated by the ABC, NBC, CBS and Fox television networks, other newer television networks and the growth in popularity of subscription systems, such as local cable and direct broadcast satellite (DBS) systems which air exclusive programming not otherwise available in a market, have become significant competitors for the over-the-air television audience.

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Programming. Competition for programming involves negotiating with national program distributors or syndicators that sell first-run and rerun packages of programming. Stations compete against in-market broadcast station operators for exclusive access to off-network reruns (such as *Seinfeld*) and first-run product (such as *Entertainment Tonight*) in their respective markets. Cable systems generally do not compete with local stations for programming, although various national cable networks from time to time have acquired programs that would have otherwise been offered to local television stations. Time Warner, Inc., General Electric Company, Viacom Inc., The News Corporation Limited and the Walt Disney Company each owns a television network and also owns or controls major production studios, which are the primary source of programming for the networks. It is uncertain whether in the future such programming, which is generally subject to short-term agreements between the studios and the networks, will be moved to the networks. Television broadcasters also compete for non-network programming unique to the markets they serve. As such, stations strive to provide exclusive news stories, unique features such as investigative reporting and coverage of community events and to secure broadcast rights for regional and local sporting events.

Advertising. Stations compete for advertising revenue with other television stations in their respective markets; and other advertising media such as newspapers, radio stations, magazines, outdoor advertising, transit advertising, yellow page directories, direct mail, local cable systems, DBS systems and the Internet. Competition for advertising dollars in the broadcasting industry occurs primarily within individual markets. Generally, a television broadcast station in a particular market does not compete with stations in other market areas.

The broadcasting industry is continually faced with technological change and innovation which increase the popularity of competing entertainment and communications media. Further advances in technology may increase competition for household audiences and advertisers. The increased use of digital technology by cable systems and DBS, along with video compression techniques, will reduce the bandwidth required for television signal transmission. These technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to highly targeted audiences. Reductions in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized niche programming. This ability to reach very narrowly defined audiences is expected to alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these or other technological changes will have on the broadcast television industry or on the future results of our operations or the operations of the stations we provide services to.

Federal Regulation

Television broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the Communications Act). The following is a brief discussion of certain provisions of the Communications Act and the FCC s regulations and policies that affect the business operations of television broadcast stations. Over the years, Congress and the FCC have added, amended and deleted statutory and regulatory requirements to which station owners are subject. Some of these changes have a minimal business impact whereas others may significantly affect the business or operation of individual stations or the broadcast industry as a whole. The following discussion summarizes some of the statutory and regulatory rules and policies currently in effect. For more information about the nature and extent of FCC regulation of television broadcast stations you should refer to the Communications Act and the FCC s rules, public notices and policies.

License Grant and Renewal. The Communications Act prohibits the operation of broadcast stations except under licenses issued by the FCC. Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if during the preceding term the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC s rules, and the licensee committed no other violations of the Communications Act or the FCC s rules which, taken together, would constitute a pattern of abuse. A majority of renewal applications are routinely granted under this standard. If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period.

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After a renewal application is filed, interested parties, including members of the public, may file petitions to deny a renewal application, to which the licensee/renewal applicant is entitled to respond. After reviewing the pleadings, if the FCC determines that there is a substantial and material question of fact whether grant of the renewal application would serve the public interest, the FCC is required to hold a trial-type hearing on the issues presented. If, after the hearing, the FCC determines that the renewal applicant has met the renewal standard the FCC will grant the renewal application. If the licensee/renewal applicant fails to meet the renewal standard or show that there are mitigating factors entitling it to renewal subject to appropriate sanctions, the FCC can deny the renewal application. In the vast majority of cases where a petition to deny is filed against a renewal application, the FCC ultimately grants the renewal without a hearing. No competing application for authority to operate a station and replace the incumbent licensee may be filed against a renewal application.

In addition to considering rule violations in connection with a license renewal application, the FCC may sanction a station licensee for failing to observe FCC rules and policies during the license term, including the imposition of a monetary forfeiture.

The Communications Act prohibits the assignment or the transfer of control of a broadcast license without prior FCC approval.

Ownership Restrictions. The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, a U.S. broadcast company such as ours may have no more than 25% non-U.S. ownership (by vote and by equity).

The FCC also has rules which establish limits on the ownership of broadcast stations. These ownership limits apply to attributable interests in a station licensee held by an individual, corporation, partnership or other entity. In the case of corporations, officers, directors and voting stock interests of 5% or more (20% or more in the case of qualified investment companies, such as insurance companies and bank trust departments) are considered attributable interests. For partnerships, all general partners and non-insulated limited partners are attributable. Limited liability companies are treated the same as partnerships. The FCC also considers attributable the holder of more than 33% of a licensee s total assets (defined as total debt plus total equity), if that person or entity also provides over 15% of the station s total weekly broadcast programming or has an attributable interest in another media entity in the same market which is subject to the FCC s ownership rules, such as a radio or television station, cable television system or daily newspaper.

Local Ownership (Duopoly Rule). Under the current duopoly rule, a single entity is allowed to own or have attributable interests in two television stations in a market if (1) the two stations do not have overlapping service areas, or (2) after the combination there are at least eight independently owned and operating full-power television stations and one of the combining stations is not ranked among the top four stations in the DMA. The duopoly rule allows the FCC to consider waivers to permit the ownership of a second station only in cases where the second station has failed or is failing or unbuilt.

Under the duopoly rule, the FCC attributes toward the local television ownership limits another in-market station when one station owner programs a second in-market station pursuant to a time brokerage or local marketing agreement, if the programmer provides more than 15% of the second station s weekly broadcast programming. However, local marketing agreements entered into prior to November 5, 1996 are exempt attributable interests until the FCC determines otherwise. This grandfathered period, when reviewed by the FCC, is subject to possible extension or termination.

In certain markets, we and Mission own and operate both full-power and low-power television broadcast stations (in Utica, Nexstar owns and operates WFXV and WPNY-LP; in Wichita Falls, Mission owns and operates KJTL and KJBO-LP; and in Amarillo, Mission owns and operates KCIT and KCPN-LP). The FCC s duopoly rules and policies regarding ownership of television stations in the same market apply only to full-power television stations and not low-power television stations such as WPNY-LP, KJBO-LP and KCPN-LP.

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The only markets in which we currently are permitted to own two stations under the duopoly rule are the Champaign-Springfield-Decatur, Illinois market and the Little Rock-Pine Bluff, Arkansas market. However, we also are permitted to own two stations in the Fort Smith-Fayetteville-Springdale-Rogers market pursuant to a waiver under the FCC s rules permitting common ownership of a satellite television station in a market where a licensee also owns the primary station. In all of the markets where we have entered into local service agreements, except for two, we do not provide programming other than news (comprising less than 15% of the second station s programming) to the second station and, therefore, we are not attributed with ownership of the second station. In the two markets where we provide more programming to the second station WFXP in Erie, Pennsylvania and KHMT in Billings, Montana the local marketing agreements were entered into prior to November 5, 1996. Therefore, we may continue to program these stations under the terms of these agreements until the rule is changed.

National Ownership. There is no nationwide limit on the number of television stations which a party may own. However, the FCC s rules limit the percentage of U.S. television households which a party may reach through its attributable interests in television stations. This rule provides that when calculating a party s nationwide aggregate audience coverage, the ownership of a UHF station is counted as 50% of a market s percentage of total national audience. In 2004, Congress determined that one party may have an attributable interest in television stations which reach, in the aggregate, 39% of all U.S. television households; and the FCC thereafter modified its corresponding rule. The FCC currently is considering whether this act has any impact on the FCC s authority to examine and modify the UHF discount.

The stations that Nexstar owns have a combined national audience reach of 5.6% of television households with the UHF discount.

Radio/Television Cross-Ownership Rule (One-to-a-Market Rule). In markets with at least 20 independently owned media outlets, ownership of one television station and up to seven radio stations, or two television stations (if allowed under the television duopoly rule) and six radio stations is permitted. If the number of independently owned media outlets is fewer than 20 but greater than or equal to 10, ownership of one television station (or two if allowed) and four radio stations is permitted. In markets with fewer than 10 independent media voices, ownership of one television station (or two if allowed) and one radio station is permitted. In calculating the number of independent media voices in a market, the FCC includes all radio and television stations, independently owned cable systems (counted as one voice), and independently owned daily newspapers which have circulation that exceeds 5% of the households in the market.

Local Television/Newspaper Cross-Ownership Rule. Under this rule, a party is prohibited from having an attributable interest in a television station and a daily newspaper except in cases where the market at issue is one of the 20 largest DMAs, and subject to other criteria and limitations.

As a result of the FCC s 2006 rulemaking proceeding, which provided a comprehensive review of all of its media ownership rules, in February 2008, the FCC adopted modest changes to its newspaper cross-ownership rule, while retaining the rest of its rules as then currently in effect. Multiple challenges to this proceeding were filed with the U.S. Court of Appeals, which remain pending. The FCC will be initiating a new proceeding in 2010.

Local Television/Cable Cross-Ownership. There is no FCC rule prohibiting common ownership of a cable television system and a television broadcast station in the same area.

Cable Must-Carry or Retransmission Consent Rights. Every three years television broadcasters are required to make an election between must-carry or retransmission consent rights in connection with the carriage of their analog signal on cable television systems within their DMA. For a majority of our and Mission s stations the most recent election was made October 1, 2008, for the three-year period beginning January 1, 2009.

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If a broadcaster chooses to exercise its must-carry rights, it may request cable system carriage on its over-the-air channel or another channel on which it was carried on the cable system as of a specified date. A cable system generally must carry the station s signal in compliance with the station s carriage request, and in a manner that makes the signal available to all cable subscribers. However, must-carry rights are not absolute, and whether a cable system is required to carry the station on its system, or in the specific manner requested, depends on variables such as the location, size and number of activated channels of the cable system and whether the station s programming duplicates, or substantially duplicates the programming of another station carried on the cable system. If certain conditions are met, a cable system may decline to carry a television station that has elected must-carry status, although it is unusual for all the required conditions to exist.

If a broadcaster chooses to exercise its retransmission consent rights, a cable television system which is subject to that election may not carry the station s signal without the station s consent. This generally requires the cable system and television station operator to negotiate the terms under which the broadcaster will consent to the cable system s carriage of its station s signal.

We and Mission have elected to exercise retransmission consent rights for all of our stations where we have a legal right to do so. We and Mission have negotiated retransmission consent agreements with substantially all of the cable systems which carry the stations signals.

Direct-to-Home Satellite Services and Carriage Rights. Direct broadcast satellite (DBS) providers are permitted to carry local channels, including significantly viewed out-of-market stations when local service is provided. Under certain circumstances, DBS providers also are permitted to provide network service from a station outside a local market for subscribers in the market who are unserved by a local station affiliated with the same network. In addition, DBS subscribers who were not receiving a digital signal as of December 8, 2004 may receive distant signals for digital television programming from their DBS provider if they are receiving the local analog signal of a network affiliate and the subscriber cannot receive a local digital signal of that network-affiliated station over-the-air.

Satellite carriers that provide any local-into-local service in a market must carry, upon request, all stations in that market that have elected mandatory carriage, and DBS operators are now carrying other local stations in local-into-local markets, including some noncommercial, independent and foreign language stations. However, satellite carriers are not required to carry duplicative network signals from a local market unless the stations are licensed to different communities in different states. Satellite carriers are required to carry all local television stations in a contiguous manner on their channel line-up and may not discriminate in their carriage of stations.

Commercial television stations make elections between retransmission consent and must-carry status for satellite services on the same schedule as cable elections, with the most recent elections made by October 1, 2008 for the three year period that began on January 1, 2009. DirecTV currently provides satellite carriage of our and Mission s stations in the Champaign-Springfield-Decatur, Evansville, Ft. Smith-Fayetteville-Springdale-Rogers, Ft. Wayne, Jacksonville, Johnstown-Altoona, Little Rock-Pine Bluff, Peoria-Bloomington, Rochester, Rockford, Shreveport, Springfield and Wilkes Barre-Scranton markets. Dish Network currently provides satellite carriage of our and Mission s stations in the Abilene-Sweetwater, Amarillo, Beaumont-Port Arthur, Billings, Champaign-Springfield-Decatur, Dothan, Erie, Evansville, Fort Wayne, Ft. Smith-Fayetteville-Springdale-Rogers, Hagerstown, Jacksonville, Johnstown-Altoona, Joplin, MO-Pittsburg, KS, Little Rock-Pine Bluff, Lubbock, Monroe, LA-El Dorado, AR, Odessa-Midland, Peoria-Bloomington, Rochester, Rockford, San Angelo, Shreveport, Springfield, Terre Haute, Wichita Falls, TX-Lawton, OK and Wilkes Barre-Scranton markets. We and Mission have long-term carriage agreements with both DirecTV (expiring in 2011) and DISH Network (formerly EchoStar) (expiring in 2011) that provide for the carriage of the currently carried stations, as well as those subsequently added in new local-to-local markets, or those added by acquisition or other means.

Digital Television (DTV). In February 2009, President Obama signed into law legislation that established June 12, 2009 as the deadline for television broadcasters to complete their transition to DTV-only operations and

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return their analog spectrum to the FCC. The DTV transmission system delivers video and audio signals of higher quality (including high definition television) than the existing analog transmission system. DTV also has substantial capabilities for multiplexing (the broadcast of several channels of programs concurrently) and data transmission. The introduction of digital television requires consumers to purchase new television sets that are capable of receiving and displaying the DTV signals, or adapters to receive DTV signals and convert them to analog signals for display on their existing receivers.

On June 12, 2009 all full-power television broadcasters were required to cease operating in an analog format and operate exclusively in digital (DTV) format. As of November 30, 2009, all of Nexstar s and Mission s stations have completed the transition to digital operations; however, Nexstar is working with the FCC with respect to KMID s authorization.

Television station operators may use their DTV signals to provide ancillary services, such as computer software distribution, Internet, interactive materials, e-commerce, paging services, audio signals, subscription video, or data transmission services. To the extent a station provides such ancillary services it is subject to the same regulations as are applicable to other analogous services under the FCC s rules and policies. Commercial television stations also are required to pay the FCC 5% of the gross revenue derived from all ancillary services provided over their DTV signals for which a station received a fee in exchange for the service or received compensation from a third party in exchange for transmission of material from that third party, not including commercial advertisements used to support broadcasting.

Programming and Operation. The Communications Act requires broadcasters to serve the public interest. Since the late 1970s, the FCC gradually has relaxed or eliminated many of the more formalized procedures it had developed to promote the broadcast of certain types of programming responsive to the needs of a station s community of license. However, television station licensees are still required to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. The FCC may consider complaints from viewers concerning programming when it evaluates a station s license renewal application, although viewer complaints also may be filed and considered by the FCC at any time. Stations also must follow various rules promulgated under the Communications Act that regulate, among other things:

- political advertising (its price and availability);
- sponsorship identification;
- contest and lottery advertising;
- obscene and indecent broadcasts;
- technical operations, including limits on radio frequency radiation;
- discrimination and equal employment opportunities;
- closed captioning;
- children s programming;

- program ratings guidelines; and
- network affiliation agreements.

Employees

As of December 31, 2008, we had a total of 2,258 employees, comprised of 1,950 full-time and 308 part-time or temporary employees. As of December 31, 2008, 154 of our employees were covered by collective bargaining agreements. We believe that our employee relations are satisfactory, and we have not experienced any work stoppages at any of our facilities. However, we cannot assure you that our collective bargaining agreements

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will be renewed in the future, or that we will not experience a prolonged labor dispute, which could have a material adverse effect on our business, financial condition or results of operations.

Properties

Nexstar owns and leases facilities in the following locations:

Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
WBRE Wilkes Barre-Scranton, PA			
Office-Studio	100% Owned	0.80 Acres	
Office-Studio	100% Owned	49,556 Sq. Ft.	
Office-Studio Williamsport News Bureau	Leased	460 Sq. Ft.	Month to Month
Office-Studio Stroudsburg News Bureau	Leased	320 Sq. Ft.	4/30/11
Office-Studio Scranton News Bureau	Leased	1,627 Sq. Ft.	11/30/11
Tower/Transmitter Site Williamsport	33% Owned	1.33 Acres	
Tower/Transmitter Site Sharp Mountain	33% Owned	0.23 Acres	
Tower/Transmitter Site Blue Mountain	100% Owned	0.998 Acres	
Tower/Transmitter Site Penobscot Mountain	100% Owned	20 Acres	
Tower/Transmitter Site Pimple Hill	Leased	400 Sq. Ft.	Month to Month
KARK/KARZ Little Rock-Pine Bluff, AR			
Office-Studio	Leased	34,835 Sq. Ft.	3/31/22
Tower/Transmitter Site	100% Owned	40 Acres	
Tower/Transmitter Site	Leased	1 Sq. Ft.	4/5/11
KTAL Shreveport, LA			
Office-Studio	100% Owned	2 Acres	
Office-Studio	100% Owned	16,000 Sq. Ft.	
Equipment Building Texarkana	100% Owned	0.0808 Acres	
Office-Studio Texarkana	Leased	2,941 Sq. Ft.	9/30/13
Tower/Transmitter Site	100% Owned	109 Acres	
Tower/Transmitter Site	100% Owned	2,284 Sq. Ft.	
WROC Rochester, NY			
Office-Studio	100% Owned	3.9 Acres	
Office-Studio	100% Owned	48,864 Sq. Ft.	
Tower/Transmitter Site	100% Owned	0.24 Acres	
Tower/Transmitter Site	100% Owned	2,400 Sq. Ft.	
Tower/Transmitter Site	50% Owned	1.90 Acres	
WCIA/WCFN Champaign-Springfield-Decatur, IL			
Office-Studio	100% Owned	20,000 Sq. Ft.	
Office-Studio	100% Owned	1.5 Acres	
Office-Studio Sales Bureau	Leased	1,600 Sq. Ft.	1/31/12
Office-Studio News Bureau	Leased	350 Sq. Ft.	2/28/13
Office-Studio Decatur News Bureau	Leased	300 Sq. Ft.	5/31/10
Roof Top & Boiler Space Danville Tower	Leased	20 Sq. Ft.	11/30/10
Tower/Transmitter Site WCIA Tower	100% Owned	38.06 Acres	
Tower/Transmitter Site Springfield Tower	100% Owned	2.0 Acres	
Tower/Transmitter Site Dewitt Tower	100% Owned	1.0 Acres	

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Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
WMBD Peoria-Bloomington, IL			
Office-Studio	100% Owned	0.556 Acres	
Office-Studio	100% Owned	18,360 Sq. Ft.	
Building-Transmitter Site	100% Owned	2,350 Sq. Ft.	
Building-Transmitter Site	100% Owned	800 Sq. Ft.	
Tower/Transmitter Site	100% Owned	34.93 Acres	
Tower/Transmitter Site	100% Owned	1.0 Acres	
KBTV Beaumont-Port Arthur, TX			
Office-Studio (6)	Leased	8,000 Sq. Ft.	1/31/10
Tower/Transmitter Site	100% Owned	1.2 Acres	
Tower/Transmitter Site	100% Owned	40 Acres	
WTWO Terre Haute, IN			
Office-Studio	100% Owned	4.774 Acres	
Office-Studio Tower/Transmitter Site	100% Owned	17,375 Sq. Ft.	
WJET Erie, PA			
Tower/Transmitter Site	100% Owned	2 Sq. Ft.	
Office-Studio	100% Owned	9.87 Acres	
Office-Studio	100% Owned	15,533 Sq. Ft.	
KFDX Wichita Falls, TX Lawton, OK			
Office-Studio-Tower/Transmitter Site	100% Owned	28.06 Acres	
Office-Studio	100% Owned	13,568 Sq. Ft.	
KSNF Joplin, MO-Pittsburg, KS			
Office-Studio	100% Owned	13.36 Acres	
Office-Studio	100% Owned	13,169 Sq. Ft.	
Tower/Transmitter Site	Leased	240 Sq. Ft.	Month to Month
KMID Odessa-Midland, TX			
Office-Studio	100% Owned	1.127 Acres	
Office-Studio	100% Owned	14,000 Sq. Ft.	
Tower/Transmitter Site	100% Owned	69.87 Acres	
Tower/Transmitter Site	100% Owned	0.322 Acres	
KTAB Abilene-Sweetwater, TX			
Office-Studio (1)			
Tower/Transmitter Site	100% Owned	25.55 Acres	
KQTV St Joseph, MO			
Office-Studio	100% Owned	3 Acres	
Office-Studio	100% Owned	15,100 Sq. Ft.	
Tower/Transmitter Site	100% Owned	9,360 Sq. Ft.	
Offsite Storage	Leased	130 Sq. Ft.	Month to Month
WDHN Dothan, AL			
Office-Studio Tower/Transmitter Site	100% Owned	10 Acres	
Office-Studio	100% Owned	7,812 Sq. Ft.	

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Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
KLST San Angelo, TX			
Office-Studio	100% Owned	7.31 Acres	
Tower/Transmitter Site	100% Owned	8 Acres	
WHAG Washington, DC/Hagerstown, MD			
Office-Studio	Leased	11,000 Sq. Ft.	Month to Month
Sales Office-Frederick	Leased	1,200 Sq. Ft.	8/10/10
Tower/Transmitter Site	Leased	11.2 Acres	5/12/21
WTVW Evansville, IN			
Office-Studio	100% Owned	1.834 Acres	
Office-Studio	100% Owned	14,280 Sq. Ft.	
Tower/Transmitter Site	Leased	16.36 Acres	5/12/21
KSFX Springfield, MO			
Office-Studio (2)			
Tower/Transmitter Site Kimberling City	100% Owned	.25 Acres	
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
WFFT Fort Wayne, IN			
Office-Studio	100% Owned	21.84 Acres	
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
KAMR Amarillo, TX			
Office-Studio	100% Owned	26,000 Sq. Ft.	
Tower/Transmitter Site	Leased	110.2 Acres	5/12/21
Translator Site	Leased	0.5 Acres	Month to Month
KARD Monroe, LA			
Office-Studio	100% Owned	14,450 Sq. Ft.	
Tower/Transmitter Site	Leased	26 Acres	5/12/21
Tower/Transmitter Site	Leased	80 Sq. Ft.	Month to Month
KLBK Lubbock, TX			
Office-Studio	100% Owned	11.5 Acres	
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21
WFXV Utica, NY			
Office-Studio (3)			
Tower/Transmitter Site Burlington Flats	100% Owned	6.316 Acres	
Tower/Transmitter Site	Leased	160 Sq. Ft.	9/1/14
Tower/Transmitter Site Cassville	Leased	96 Sq. Ft.	1/12/10
WPNY LP Utica, NY			
Office-Studio (4)			
KSVI Billings, MT			
Office-Studio	100% Owned	9,700 Sq. Ft.	
Tower/Transmitter Site	Leased	10 Acres	5/12/21
Tower/Transmitter Site	Leased	75 Sq. Ft.	6/30/11
Tower/Transmitter Site	Leased	75 Sq. Ft.	10/31/15
Tower/Transmitter Site	Leased	75 Sq. Ft.	12/31/22
Tower/Transmitter Site Rapeljie	Leased	1 Acre	2/1/11
Tower/Transmitter Site Hardin	Leased	1 Acre	12/1/14

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Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
Tower/Transmitter Site Columbus	Leased	75 Sq. Ft.	6/1/10
Tower/Transmitter Site Sarpy	Leased	75 Sq. Ft.	Month to Month
Tower/Transmitter Site Rosebud	Leased	1 Acre	Year to Year
Tower/Transmitter Site Miles City	Leased	.25 Acre	3/23/11
Tower/Transmitter Site Sheridan, WY	Leased	56 Sq. Ft.	12/31/10
Tower/Transmitter Site McCullough Pks, WY	Leased	75 Sq. Ft.	Month to Month
WCWJ Jacksonville, FL			
Office-Studio	100% Owned	19,847 Sq. Ft.	
Office-Studio Tower Transmitter Site	100% Owned	7.92 Acres	
Building-Transmitter Site	100% Owned	200 Sq. Ft.	
WQRF Rockford, IL			
Office-Studio (5)			
Tower/Transmitter Site	Leased	2,000 Sq. Ft.	5/12/21
KFTA/KNWA Fort Smith-Fayetteville-Springdale-Rogers, AR			
Office	Leased	9,950 Sq. Ft.	Month to Month
Office	Leased	900 Sq. Ft.	Month to Month
Office-Studio	Leased	10,000 Sq. Ft.	7/31/14
Tower/Transmitter Site	Leased	216 Sq. Ft.	Month to Month
Tower/Transmitter Site	Leased	936 Sq. Ft.	7/31/25
Tower/Transmitter Site	100% Owned	1.61 Acres	
Tower/Transmitter Site Fort Smith	Leased	1,925 Sq. Ft.	9/1/11
Microwave Relay Site	100% Owned	166 Sq. Ft.	
Microwave Site	Leased	216 Sq. Ft.	Month to Month
WTAJ Altoona-Johnstown, PA			
Office-Studio	Leased	22,367 Sq. Ft.	5/31/14
Office-Johnstown	Leased	672 Sq. Ft.	2/28/11
Office-State College Bureau	Leased	7,200 Sq. Ft.	Month to Month
Office-Dubois Bureau	Leased	315 Sq. Ft.	9/30/10
Tower/Transmitter Site	Owned	4,400 Sq. Ft.	
Corporate Office Irving, TX	Leased	18,168 Sq. Ft.	12/31/13
Corporate Office Offsite Storage Dallas, TX	Leased	475 Sq. Ft.	Month to Month

(1) The office space and studio used by KTAB are owned by KRBC.
(2) The office space and studio used by KSFX are owned by KOLR.
(3) The office space and studio used by WFXV are owned by WUTR.
(4) The office space and studio used by WPNY-LP are owned by WUTR.
(5) The office space and studio used by WQRF are owned by WTVO.
(6) This office was destroyed by a fire in February 2009.

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Mission owns and leases facilities in the following locations:

Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
WYOU Wilkes Barre-Scranton, PA			
Office-Studio (1)			
Tower/Transmitter Site Penobscot Mountain	100% Owned	120.33 Acres	
Tower/Transmitter Site Bald Mountain	100% Owned	7.2 Acres	
Tower/Transmitter Site Williamsport	33% Owned	1.35 Acres	
Tower/Transmitter Site Sharp Mountain	33% Owned	0.23 Acres	
Tower/Transmitter Site Stroudsburg	Leased	10,000 Sq. Ft.	Month to Month
WFXW Terre Haute, IN			
Office-Studio (2)			
Tower/Transmitter Site	100% Owned	1 Acre	
WFXP Erie, PA			
Office-Studio (3)			
Tower/Transmitter Site (3)			
KJTL Wichita Falls, TX Lawton, OK			
Office-Studio (4)			
Tower/Transmitter Site	Leased	40 Acres	1/30/15
KJBO-LP Wichita Falls, TX-Lawton, OK			
Office-Studio (4)			
Tower/Transmitter Site	Leased	5 Acres	Year to Year
KODE Joplin, MO-Pittsburg, KS			
Office-Studio	100% Owned	2.74 Acres	
Tower/Transmitter Site	Leased	215 Sq. Ft.	5/1/27
KRBC Abilene-Sweetwater, TX			
Office-Studio	100% Owned	5.42 Acres	
Office-Studio	100% Owned	19,312 Sq. Ft.	
Tower/Transmitter Site (9)			
KTVE Monroe, LA/El Dorado, AR			
Office-Studio	Leased		
Tower/Transmitter Site	Leased	2 Acres	4/30/32
Tower/Transmitter Site El Dorado	Leased	3 Acres	4/30/32
Tower/Transmitter Site Union Parrish	Leased	2.7 Acres	4/30/32
Tower/Transmitter Site Bolding	Leased	11.5 Acres	4/30/32
KSAN San Angelo, TX			
Office-Studio (5)			
Tower/Transmitter Site	Leased	10 Acres	5/15/15
KOLR Springfield, MO			
Office-Studio	100% Owned	30,000 Sq. Ft.	
Office-Studio	100% Owned	7 Acres	
Tower/Transmitter Site	Leased	0.5 Acres	5/12/21

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Station Metropolitan Area and Use	Owned or Leased	Square Footage/Acreage Approximate Size	Expiration of Lease
KCIT/KCPN-LP Amarillo, TX			
Office-Studio (6)			
Tower/Transmitter Site	Leased	100 Acres	5/12/21
Tower/Transmitter Site Parmer County, TX	Leased	80 Sq. Ft.	Month to Month
Tower/Transmitter Site Guyman, OK	Leased	80 Sq. Ft.	Month to Month
Tower/Transmitter Site Curry County, NM	Leased	6 Acres	Month to Month
KAMC Lubbock, TX			
Office-Studio (7)			
Tower/Transmitter Site	Leased	40 Acres	5/12/21
Tower/Transmitter Site	Leased	1,200 Sq. Ft.	Month to Month
KHMT Billings, MT			
Office-Studio (8)			
Tower/Transmitter Site	Leased	4 Acres	5/12/21
WUTR Utica, NY			
Office-Studio	100% Owned	12,100 Sq. Ft.	
Tower/Transmitter Site	100% Owned	21 Acres	
WTVO Rockford, IL			
Office-Studio-Tower/Transmitter Site	100%Owned	20,000 Sq. Ft.	
Corporate Office-Brecksville, OH	Leased	540 Sq. Ft.	10/31/10

(1) The office space and studio used by WYOU are owned by WBRE.
(2) The office space and studio used by WFXW are owned by WTWO.
(3) The office space, studio and tower used by WFXP are owned by WJET.
(4) The office space and studio used by KJTL and KJBO-LP are owned by KFDX.
(5) The office space and studio used by KSAN are owned by KLST.
(6) The office space and studio used by KCIT/KCPN-LP are owned by KAMR.
(7) The office space and studio used by KAMC are owned by KLBK.
(8) The office space and studio used by KHMT are owned by KSVI.
(9) The tower/transmitter used by KRBC is owned by KTAB.

Legal Proceedings

From time to time, Nexstar and Mission are involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, Nexstar and Mission believe the resulting liabilities would not have a material adverse effect on Nexstar s and Mission s financial condition or results of operations.

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MANAGEMENT

Directors and Executive Officers

The following persons are the directors, executive officers, and other key employees of Nexstar Broadcasting Group, our ultimate parent:

Name	Age	Position With Company
Perry A. Sook	51	President, Chief Executive Officer and Director
Thomas E. Carter	51	Executive Vice President and Chief Financial Officer
Timothy C. Busch	46	Executive Vice President, Co-Chief Operating Officer
Brian Jones	49	Executive Vice President, Co-Chief Operating Officer
Richard Rogala	49	Senior Vice President, Regional Manager
Blake Russell	39	Senior Vice President, Station Operations
Marc Montoya	47	Senior Vice President, eMedia
Adrian Giuhat	50	Senior Vice President, Chief Technology Officer
Shirley E. Green	50	Vice President, Controller
Richard Stolpe	53	Vice President, Engineering
Elizabeth Hammond	44	Vice President and General Counsel
Blake R. Battaglia	37	Director
Erik Brooks	43	Director
Jay M. Grossman	50	Director
Brent Stone	33	Director
Royce Yudkoff	54	Director
Geoff Armstrong	52	Director
Michael Donovan	68	Director
I. Martin Pompadur	74	Director
Lisbeth McNabb	49	Director

Perry A. Sook has served as Chairman of our Board of Directors, President and Chief Executive Officer and as a Director since 1996. From 1991 to 1996, Mr. Sook was a principal of Superior Communications Group, Inc. Mr. Sook currently serves as a director of the Television Bureau of Advertising and serves as trustee for the Ohio University Foundation.

Thomas E. Carter has served as our Chief Financial Officer since August 2009. Prior to joining Nexstar, Mr. Carter was Managing Director, Media Telecom Corporate Investment Banking at Banc of America Securities, which he joined in 1985. In this position, he acted as the senior banker responsible for delivering bank products and services including M&A, private and public equity, high-yield debt, fixed income derivatives, syndicated financial products and treasury management for selected clients across the broadcasting, cable, publishing and media industries, including Nexstar. Mr. Carter began his banking career in 1980, serving for five years in various roles in Corporate and International Banking at a predecessor to JPMorgan Chase.

Timothy C. Busch has served as our Executive Vice President and Co-Chief Operating Officer since May 2008. Prior to that time, Mr. Busch served as Senior Vice President and Regional Manager from October 2002 to May 2008. Prior to that time, Mr. Busch served as Vice President and General Manager at WROC, Rochester, New York from 2000 to October 2002. Prior to joining Nexstar, Mr. Busch served as General Sales Manager and held various other sales management positions at WGRZ, Buffalo, New York from 1993 to 2000.

Brian Jones has served as our Executive Vice President and Co-Chief Operating Officer since May 2008. Mr. Jones served as Senior Vice President and Regional Manager from May 2003 to May 2008. Prior to joining Nexstar, Mr. Jones served as Vice President and General Manager at KTVT and KTXA, Dallas-Fort Worth, Texas from 1995 to 2003.

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Richard Rogala has served as our Senior Vice President, Regional Manager since July 2009. Mr. Rogala has operating responsibility for the Nexstar owned or operated television stations located in the states of Arkansas, Missouri, Illinois and Indiana. Mr. Rogala came to Nexstar from Media General owned WCMH-TV (NBC) in Columbus Ohio. Prior to his position in Columbus, Mr. Rogala served as General Manager of Nexstar s KARK-TV in Little Rock. Previous to his role in Little Rock, Mr. Rogala served as General Manager of WXIN-TV/WTTV-TV in Indianapolis, WFLA-TV in Tampa, WLWT-TV in Cincinnati and WZZM-TV in Grand Rapids. He began his 27 year career with Blair Television and served in various sales management roles in St. Louis, Pittsburgh and Dallas.

Blake Russell has served as our Senior Vice-President of Station Operations since November 2008. Prior to that, he served as Vice President Marketing and Operations since October 2007. Before that, Mr. Russell served as Vice President and General Manager at KNWA and KFTA, Ft. Smith/Fayetteville, Arkansas from January 2004 to September 2007 and as our Director of Marketing/Operations at KTAL, Shreveport, Louisiana from 2000 to December 2003.

Marc Montoya has served as our Senior Vice President, eMedia since 2009. Prior to joining Nexstar, Mr. Montoya served as Executive Director for broadband content acquisition and later from broadband advertising and development at AOL from 2002 to 2009. Prior to that time, Mr. Montoya served as Senior Director, Radio and Television at Yahoo! Inc. Prior to that, Mr. Montoya had a variety of roles where he created and managed the Radio and Television division of Broadcast.com, which was acquired by Yahoo! Inc. Prior to joining Broadcast.com, Mr. Montoya was Director of Internet Sales at WFAA-TV (Dallas).

Adrian Giuhat has served as our Senior Vice President and Chief Technology Officer since June 2008. Prior to joining Nexstar, Mr. Giuhat served as Chief Technical Officer of AvantGuard Technologies from 2003 to 2008. Prior to his role at AvantGuard, Mr. Giuhat held various executive and senior technical positions at leading Internet advertising, media delivery and telecommunications technology firms.

Shirley E. Green has served as our Vice President, Controller since October 2008. Ms. Green served as Vice President, Finance from February 2001 to October 2008. Prior to that time, Ms. Green served as our Controller from 1997 to 2001. Prior to joining Nexstar, from 1994 to 1997, Ms. Green was Business Manager at KOCB, Oklahoma City, Oklahoma, which was owned by Superior Communications Group, Inc.

Richard Stolpe has served as our Vice President, Director of Engineering since January 2000. Prior to that time, Mr. Stolpe served as Chief Engineer of WBRE from 1998 to 2000. Prior to joining Nexstar, Mr. Stolpe was employed by WYOU from 1996 to 1998 as Chief Engineer.

Elizabeth Hammond has served as our Vice President and General Counsel since May 2009. Prior to joining Nexstar, Ms. Hammond served as Vice President Legal Affairs at First Broadcasting Operating, Inc. Prior to that, Ms. Hammond served as Counsel at the law firm of Drinker Biddle & Reath LLP in Washington, D.C.

Blake R. Battaglia has served as a Director since April 2002. Mr. Battaglia is a Vice President at ABRY, which he joined in 1998. Prior to joining ABRY, he was an investment banker at Morgan Stanley & Co. Mr. Battaglia currently serves as a director of WideOpenWest Holdings, LLC and Atlantic Broadband, LLC.

Erik Brooks has served as a Director since March 2002. Mr. Brooks is a Partner at ABRY, the Company s largest stockholder, which he joined in 1999. Prior to joining ABRY, from 1995 to 1999, Mr. Brooks was a Vice President at NCH Capital, a private equity investment fund. Mr. Brooks currently serves as a director of Monitronics International, Inc., KidzCo LLC, Music Resorts, Inc., HealthPort Incorporated and

ProQuest, Inc.

Jay M. Grossman has served as a Director since 1997 and was our Vice President and Assistant Secretary from 1997 until March 2002. Mr. Grossman is a Managing Partner of ABRY, the Company s largest stockholder, which he joined in 1996. Prior to joining ABRY, Mr. Grossman was an investment banker specializing in media and entertainment at Kidder Peabody and at Prudential Securities. Mr. Grossman currently serves as a director (or the equivalent) of several private companies including Consolidated Theaters LLC, Country Road Communications LLC, Monitronics International, Inc., Caprock Communications, LLC, Atlantic Broadband, LLC, Hometown Cable Plus, Cyrus One, Executive Health Resourcs, Inc. and HealthPort Incorporated.

Brent Stone has served as a Director since March 2005. Mr. Stone is a Principal at ABRY, the Company s largest stockholder, and has been with the firm since January 2002. Prior to joining ABRY, he was a member of the Investment Banking Department of Credit Suisse First Boston, formerly Donaldson, Lufkin and Jenrette, from 2000 to 2002. From 1999 to 2000, Mr. Stone was an analyst in the Syndicated Finance Group of Chase Securities. Mr. Stone currently serves as a director (or the equivalent) of several private companies, including ProQuest, KidzCo LLC, Monitronics International, Inc. and Legendary Pictures, LLC.

Royce Yudkoff has served as a Director since 1997 and was our Vice President and Assistant Secretary from 1997 until March 2002. Since 1989, Mr. Yudkoff has served as the President and Managing Partner of ABRY, the Company s largest stockholder. Prior to joining ABRY, Mr. Yudkoff was affiliated with Bain & Company, serving as a Partner from 1985 to 1988. Mr. Yudkoff is presently a director (or the equivalent) of several companies, including U.S.A. Mobility, Inc., Muzak Holdings LLC, Talent Partners and Cast & Crew Entertainment Services, LLC.

Geoff Armstrong has served as a Director since November 2003. Mr. Armstrong is Chief Executive Officer of 310 Partners, a private investment firm. From March 1999 through September 2000, Mr. Armstrong was the Chief Financial Officer of AMFM, Inc., which was publicly traded on the New York Stock Exchange until it was purchased by Clear Channel Communications in September 2000. From June 1998 to February 1999, Mr. Armstrong was Chief Operating Officer and a director of Capstar Broadcasting Corporation, which merged with AMFM, Inc. in July 1999. Mr. Armstrong was a founder of SFX Broadcasting, which went public in 1993, and subsequently served as Chief Financial Officer, Chief Operating Officer, and a director until the company was sold in 1998 to AMFM. Mr. Armstrong has served as a director and the chairman of the audit committee of Radio One, Inc. since June 2001 and May 2002, respectively.

Michael Donovan has served as a Director since November 2003. Mr. Donovan is the founder and majority stockholder of Donovan Data Systems Inc., a privately held supplier of computer services to the advertising and media industries. Mr. Donovan has served as Chairman and Chief Executive Officer of Donovan Data Systems Inc. since 1967. Mr. Donovan currently serves as a director of the Statue of Liberty/Ellis Island Foundation and is on the board of advisors of the Yale Divinity School s Center for Fashion and Culture .

I. Martin Pompadur has served as a Director since November 2003. In June of 1998, Mr. Pompadur joined News Corporation as Executive Vice President of News Corporation, President of News Corporation Eastern and Central Europe and a member of News Corporation s Executive Management Committee. In January 2000, Mr. Pompadur was appointed Chairman of News Corp Europe. Mr. Pompadur resigned from News Corporation in November 2008. He is currently advisor to several companies including News Corporation. Prior to joining News Corporation, Mr. Pompadur was President of RP Media Management and held executive positions at several other media companies. Mr. Pompadur currently serves as a director of RP Coffee Ventures and Sky Italia.

Lisbeth McNabb has served as a Director since May 2006. In May 2007, Ms. McNabb founded w2wlink.com, a professional women s online membership community. Ms. McNabb is the former Chief Financial Officer of Match.com, an online personal service company, where she was employed from March 2005 through 2006. Prior to joining Match.com, Ms. McNabb served as Senior Vice President of Finance and Planning for Sodexho Marriott, an on-site food service and facilities management company, from 2000 to 2005, as Director of Business Planning for Frito-Lay from 1995 to 2000 and, previous to that, held finance leadership roles with American Airlines and JP Morgan Chase. Ms. McNabb is currently on the board of the Dallas Chapter of Financial Executives International, a national organization for chief financial officers and finance executives, on the advisory boards of American Airlines and Southern Methodist University for women segment business strategies, and an advisory board member to several digital and online companies.

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Corporate Governance

Committees of the Board of Directors

The Board of Directors currently has the following three standing committees: the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee.

Compensation Committee

The Compensation Committee consists of Messrs. Grossman, Armstrong and Yudkoff. The Compensation Committee met three times during 2008.

The Compensation Committee makes all decisions about the compensation of the Chief Executive Officer and also has the authority to review and approve the compensation for the Company s other executive officers. The primary objectives of the Compensation Committee in determining total compensation (both salary and incentives) of the Company s executive officers, including the Chief Executive Officer, are (i) to enable the Company to attract and retain highly qualified executives by providing total compensation opportunities with a combination of elements which are at or above competitive opportunities, (ii) to tie executive compensation to the Company s general performance and specific attainment of long-term strategic goals, and (iii) to provide a long-term incentive for future performance that aligns stockholder interests and executive rewards.

The purpose of the Compensation Committee is to establish compensation policies for Directors and executive officers of Nexstar, approve employment agreements with executive officers of Nexstar, administer Nexstar s stock option plans and approve grants under the plans and make recommendations regarding any other incentive compensation or equity-based plans. The Compensation Committee operates under a written charter adopted by the Board of Directors in January 2004.

Audit Committee

The Audit Committee consists of Messrs. Armstrong and Pompadur and Ms. McNabb. The Audit Committee met nine times during 2008. The purpose of the Audit Committee is to oversee the quality and integrity of Nexstar s accounting, internal auditing and financial reporting practices, to perform such other duties as may be required by the Board of Directors, and to oversee Nexstar s relationship with its independent registered public accounting firm. The members of the Audit Committee are independent as that term is defined in the NASDAQ Stock Market Marketplace rules. The Board of Directors has determined that Mr. Armstrong, who served as Chair of the Audit Committee in 2008, is an audit committee financial expert in accordance with the applicable rules and regulations of the Securities and Exchange Commission. Effective for 2009, the Board has appointed Ms. McNabb as Chair of the Audit Committee and has determined that she is an audit committee financial expert . The Audit Committee operates under a written charter adopted by the Board of Directors in January 2004.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Messrs. Armstrong, Donovan and Pompadur. The Nominating and Corporate Governance Committee did not meet during 2008. The members of the committee are independent as defined in the marketplace rules which govern NASDAQ Stock Market. The purpose of the Nominating and Corporate Governance Committee is to identify individuals qualified to serve on Nexstar s Board of Directors, recommend persons to be nominated by the Board of Directors for election as directors at the annual meeting of stockholders, recommend nominees for any committee of the Board of Directors, develop and recommend to the Board of Directors a set of corporate governance principles applicable to Nexstar and to oversee the evaluation of the Board of Directors and its committees. The Nominating and Corporate Governance Committee operates under a written charter adopted by the Board of Directors in January 2004.

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Additional Information Concerning the Board of Directors

During 2008, the full Board of Directors met three times. During 2008, each director attended at least 75% of the meetings of the Board of Directors and committees of the Board of Directors on which they serve, except for Messrs. Battaglia, Stone and Donovan who each attended two of the three full board meetings or 67%.

Because fewer than ten non-management stockholders attended our 2008 Annual Meeting of Stockholders in person, the Board of Directors has not adopted a formal policy with regard to director attendance at the annual meeting of stockholders. Mr. Sook attended the 2008 Annual Meeting of Stockholders.

The Board of Directors has not adopted a nominating policy to be used for identifying and evaluating nominees for director, including director candidates recommended by stockholders, and has not established any specific minimum qualifications that director nominees must possess. Instead, the Nominating and Corporate Governance Committee plans to determine the qualifications and skills required to fill a vacancy to complement the existing qualifications and skills, as a vacancy arises in the Board of Directors. However, if it is determined that a nominating policy would be beneficial to Nexstar, the Board of Directors may in the future adopt a nominating policy.

Nexstar is a controlled company in accordance with rules and regulations of the NASDAQ Stock Market, because ABRY Partners, LLC, through its affiliated funds, controls a majority of the outstanding voting stock. As a result, we are not required to maintain a majority of independent directors on our Board of Directors or to have the compensation of our executive officers and the nomination of directors be determined by independent directors.

Code of Ethics

The Board of Directors adopted a Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, the other executive officers and directors, and persons performing similar functions. The purpose of the Code of Ethics is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by Nexstar Broadcasting Group, Inc. and its subsidiaries, and to promote compliance with all applicable rules and regulations that apply to Nexstar Broadcasting Group, Inc. and its subsidiaries and their respective officers and directors. The Code of Ethics was attached as an exhibit to Nexstar s Annual Report for the year ended December 31, 2003 on Form 10-K filed with the Securities and Exchange Commission on February 27, 2004.

Compensation Committee Interlocks and Insider Participation

None of our directors or executive officers served, and we anticipate that no member of our Board of Directors or executive officers will serve, as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as a member of our Board of Directors.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

In this Compensation Discussion and Analysis (CD&A), we provide a detailed discussion and analysis of our compensation program and policies and the critical factors that are considered in making compensation decisions.

The individuals who served as the Company s Chief Executive Officer and Chief Financial Officer during fiscal 2008, along with the other three most highly-compensated executive officers, are collectively referred to as the Named Executive Officers.

Overview and Role of Compensation Committee

The Compensation Committee of the Board of Directors (the Compensation Committee) establishes compensation policies for the directors and executive officers of Nexstar, including the Named Executive Officers. The Compensation Committee approves the employment agreements with the executive officers of Nexstar, administers Nexstar s stock option plans, approves grants under such plans and makes recommendations regarding other incentive compensation or equity-based plans provided to the Named Executive Officers and other executive officers.

Compensation Philosophy and Objectives

The Company s executive compensation program has been developed to incorporate a compensation philosophy consistent with the following primary objectives:

- Attract and retain talented and highly qualified executives in the competitive television broadcasting industry by providing a total compensation package that includes a combination of elements which are at or above competitive opportunities;
- Tie executive compensation, both annual and long-term elements, to the Company s overall performance and specific attainment of long-term strategic goals;
- Provide executives with long-term incentive for future performance that aligns with stockholder interests and maximizes stockholders value over the long-term; and
- Set executive compensation at responsible levels to promote fairness and equity among all employees within our organization.

Defining the Market Benchmarking

We have not engaged a compensation consultant to review our policies and procedures concerning executive compensation. Our Chief Executive Officer conducts an annual benchmark review of the aggregate level of our executive compensation, as well as the mix of elements within our executive compensation program. This benchmarking review encompasses analyzing proxy information of approximately 15 multi-media companies that have a broadcast component (peer group), as disclosed in their most recent proxy information filing with the Securities and Exchange Commission. The peer group is primarily comprised of the companies in the table below:

Acme	Gray	News Corp
Belo Corp	Hearst-Argyle	Scripps
CBS CI. B	Journal Communications	Sinclair
Fisher	LIN TV	Washington Post
Gannett	Meredith	Young

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This review provides a foundation for ensuring that our executive compensation levels remain competitive in relation to this peer group and is generally refreshed prior to the hiring or replacement of an executive officer or when an existing officer s employment contract is renewed. One of the primary objectives of the Company s executive compensation program is to provide compensation near the median market pay level based on our benchmarking review of peer group companies, when warranted by Company results and individual contribution. We believe that such benchmarking is useful because we recognize that our compensation practices must be competitive in the television broadcasting industry. By targeting Named Executive Officer compensation to the compensation practices of the Company s peer group, the Company enhances its ability to attract and retain talented and highly qualified executives, which is fundamental to the Company s growth and delivery of value to its stockholders. In addition, peer group information is one of the many factors we consider in assessing the reasonableness of compensation of our Named Executive Officers.

Elements of Compensation

The principal elements of the Company s executive compensation consist of the following:

- Base Salary
- Annual Cash Bonuses
- Stock Options
- Other Stock-Based Compensation
- Perquisites and Other Compensation
- Health Benefits
- Severance Benefits and Change in Control Provisions

Base Salary

The annual base salary of the Company s Named Executive Officers is established by individual employment agreements, see Executive Compensation Employment Agreements . The purpose of the base salary is to provide each Named Executive Officer with a set amount of cash compensation that is not variable in nature and that is generally competitive with market practices. The base salary is established based on the scope of the executive s responsibilities, taking into account competitive market compensation paid by peer group companies for similar positions. Generally, we target the executives base salaries near the median market pay level of our benchmarking review of peer group companies. Under each employment agreement, base salaries are increased on an annual basis. Annual salary increases for the Named Executive Officers are generally consistent, on a percentage basis, with those received by non-executive employees. See Executive Compensation Employment Agreements for a discussion of any changes to the employment agreements of Named Executive Officers in 2008 and the effect they had on base salaries.

Annual Cash Bonuses

Under the terms of their employment agreements, each Named Executive Officer is eligible to earn a targeted annual cash bonus up to an amount equal to a specified percentage of such executive s salary. For the Chief Executive Officer, Chief Financial Officer and the two Co-Chief Operating Officers, their annual cash bonus is targeted to be approximately 50% of their annual base salary. For the Controller, the target annual cash bonus is 20% of annual base salary. The overall performance of the Company determines what percentage, if any, of the target bonus will be paid out, with net revenues and EBITDA as the primary performance measures. If the Company attains the annually budgeted amounts for net revenue and EBITDA, then it is likely that 100% of the targeted bonus will be paid. However, the Chief Executive Officer, with the approval of the Compensation Committee, may increase the annual bonus paid to our other Named Executive Officers, and the Compensation

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Committee may increase the annual bonus paid to our Chief Executive Officer. Likewise, if the Company does not achieve its performance benchmarks, then an amount less than the full bonus may be paid. However, the Company does not utilize defined formulas to determine what percentage of the target bonuses will be paid to its executive officers, including its Named Executive Officers. Ultimately, the payment of cash bonuses is made on a discretionary basis and is determined based on an evaluation of each executive s individual contribution to the overall performance of the Company.

Historically, when determining the amount of bonus and incentive compensation to be paid to executive officers, the Compensation Committee reviews and considers the following information:

- Evaluations of each of the Named Executive Officers, as well as feedback from the full Board of Directors, regarding each Named Executive Officer s performance;
- The Chief Executive Officer s review and evaluation of each of the other Named Executive Officers, addressing individual performance and the results of operations of the business areas and departments for which such executive had responsibility, which the Compensation Committee discusses with the Chief Executive Officer;
- The financial performance of the Company, including (i) the stock price of the Company and (ii) revenue growth of the Company; and
- Total proposed compensation, as well as each element of proposed compensation, taking into account the recommendations of the Chief Executive Officer.

For 2008, no performance bonuses were paid to any of the Named Executive Officers, see Executive Compensation Employment Agreements for discussion of the signing bonus paid to Perry Sook, our Chief Executive Officer. The decision by the Compensation Committee to not pay any performance bonuses for 2008 was primarily due to the economic slowdown and the resulting negative impact on television advertising spending, which caused the Company to miss its performance targets and an overall sensitivity to the current recession. For fiscal years 2006 and 2007, evaluations of the Named Executive Officers occurred during the first quarter of 2007 and the first quarter of 2008, respectively.

Stock Options and Other Stock-Based Compensation

The Company believes that the granting of stock options is the most appropriate form of long-term compensation since it provides incentive to promote the long-term success of the Company in line with stockholders interest. The Company s stock option plans are intended to motivate and reward the executive officers and to retain their continued services while providing long-term incentive opportunities including the participation in the long-term appreciation of our common stock value.

The number of stock options awarded to an executive officer during a given year is discretionary and is determined by the Compensation Committee, based on the contribution of the individual to the Company s attainment of annual goals, including net revenue and EBITDA. Just as with cash bonuses, there is no defined formula for how many options will be awarded to a Named Executive Officer.

In 2008, no options were granted primarily due to the Company not achieving its performance targets and the decrease in the value of the Company s common stock and the desire by the Compensation Committee to conserve the number of shares available under our equity plans for future issuances. During 2006 and 2007, the granting of stock options to the Named Executive Officers occurred during December of each year. The Compensation Committee awards stock options to the four non-CEO Named Executive Officers based on the recommendation of the Chief Executive Officer, who evaluates their performance in meeting the goals established at the beginning of each year. The Compensation Committee awards stock options to the Chief Executive Officer primarily based on the overall performance of the Company.

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The Company currently maintains two equity compensation plans (collectively, the Equity Plans), which provide for the granting of stock options, stock appreciation rights, restricted stock and performance awards. Awards made under the Company s Equity Plans have consisted almost exclusively of the granting of non-qualified stock options. With certain limited exceptions, stock option awards vest 20% per year over a five-year period, dependent on continued employment. The exercise price of stock options may not be less than the market price of the Company s Class A Common Stock on the date of grant. Stock option awards must be exercised within ten years of the date of grant of the option, subject to earlier expiration upon termination of the individual s employment. The provisions of the Equity Plans limit the number of options that may be granted to any one individual in a calendar year to 10% of the total number of options authorized under each plan.

Perquisites and Other Compensation

All other compensation for the Named Executive Officers includes automobile allowances paid by the Company, the value of the personal use of an automobile and group life insurance paid by the Company. In 2007 and 2006, the Company made 401(k) matching contributions. In 2008, the Company suspended its matching contributions.

Health Benefits

All full-time employees, including our Named Executive Officers, may participate in our health benefit program, including medical, dental and vision care coverage, disability insurance and life insurance.

Severance Benefits and Change in Control Provisions

All of our Named Executive Officers have entered into employment agreements with us. These employment agreements, among other things, provide for severance compensation to be paid to the executives if they are terminated upon a change of control of the Company, or for reasons other than cause or if they resign for good reason, as defined in the agreement, see Executive Compensation Payments Upon a Termination Change in Control .

Determination of 2008, 2007 and 2006 Compensation

The Compensation Committee reviewed compensation levels for the Named Executive Officers for 2006 through 2008 and considered various factors, including the executive s job performance, the compensation level of competitive jobs and the financial performance of the Company. For the executive officers other than the Chief Executive Officer, the Compensation Committee considers the recommendations of the Chief Executive Officer. The Compensation Committee approves the primary components of compensation for each Named Executive Officer, including any annual cash bonus and grant of stock options.

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Compensation of Named Executive Officers

The following table contains a summary of the annual, long-term and other compensation paid or accrued during the fiscal years ended December 31, 2008, 2007 and 2006 to our Named Executive Officers.

2008 Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Perry A. Sook	2008	$ 748,846	$	$	$ 957,467			$ 7,733	$ 1,714,046
President, Chief Executive Officer and	2007	694,271	250,000		716,392			17,149	1,677,812
Director	2006	674,519	900,000		566,656			18,507	2,159,682
Matthew E. Devine (4)	2008	369,154			234,878			7,032	611,064
Chief Financial Officer and Executive	2007	353,742	87,500	11,700	190,212			12,483	655,637
Vice President	2006	323,077	150,000	128,700	135,298			11,077	748,152
Brian Jones	2008	317,885			117,757			6,360	442,002
Executive Vice President, Co-Chief	2007	281,248	62,500		87,057			15,394	446,199
Operating Officer	2006	276,538	115,000		71,815			15,120	478,473
Timothy C. Busch	2008	318,112			91,091			1,010	410,213
Executive Vice President, Co-Chief	2007	279,556	50,000		72,274			9,169	410,999
Operating Officer	2006	274,808	115,000		57,438			10,727	457,973
Shirley E. Green	2008	196,115			39,620			5,617	241,352
Vice President, Controller									

(1) Represents the amount recognized as compensation expense in the Company s financial statements in accordance with accounting and disclosure requirements for share based payments with respect to shares of restricted stock awarded Mr. Devine in 2006. See the notes to the Company s consolidated financial statements for a discussion of the assumptions made in the valuation of this award. The amount recognized as compensation for financial statement reporting purposes with respect to restricted stock awarded to Mr. Devine in 2006 is recognized ratably over the vesting term of the award. This award vested monthly in increments of 2,500 shares over a twelve-month period until becoming fully vested on January 23, 2007.

(2) Represents the amount recognized as compensation expense in the Company s financial statements in accordance with accounting and disclosure requirements for share based payments with respect to all non-qualified stock options awarded to our Named Executive Officers without regard to estimated forfeitures. See the notes to the Company s consolidated financial statements for a discussion of the assumptions made in the valuation of these awards. The amount recognized for financial statement reporting purposes with respect to all stock options awarded to our Named Executive Officers in 2003, 2004, 2005, 2006 and 2007 is recognized ratably over the vesting term of the awards. For awards made November 28, 2003 50,000 option shares awarded to Mr. Sook and 15,000 option shares awarded to Mr. Busch and Ms. Green vested immediately upon grant, and the remaining shares vested in equal amounts until the awards became fully vested on November 28, 2008. For all other awards, twenty percent of the shares vest each year until the award is fully vested on the fifth anniversary of the grant date.

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(3) All Other Compensation amounts in the Summary Compensation Table consist of the following items:
(4) Mr. Devine resigned from his position with the Company on May 11, 2009.

Name	Year	Perquisites and Other Personal Benefits ($)(a)	Tax Reimbursements ($)	Insurance Premiums ($)(b)	Company Contributions to Retirement and 401(k) Plans ($)	Severance Payments / Accruals ($)	Change in Control Payments / Accruals ($)	Total ($)
Perry A. Sook	2008	$ 6,215		$ 1,518	$	$		$ 7,733
	2007	8,108		6,441	2,600			17,149
	2006	9,633		6,152	2,722			18,507
Matthew E. Devine	2008	6,000		1,032				7,032
	2007	6,000		6,483				12,483
	2006	5,538		5,539				11,077
Brian Jones	2008	6,000		360				6,360
	2007	6,000		5,810	3,584			15,394
	2006	6,002		5,522	3,596			15,120
Timothy C. Busch	2008	650		360				1,010
	2007	879		5,690	2,600			9,169
	2006	2,825		5,402	2,500			10,727
Shirley E. Green	2008	5,257		360				5,617

(a) Consists of automobile allowance paid by the Company and the value of the personal use of automobiles.
(b) Represents health care insurance premiums paid by the Company and group life insurance coverage paid by the Company.

2008 Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Perry A. Sook											
Matthew E. Devine											
Brian Jones											
Timothy C. Busch											
Shirley E. Green											

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2008 Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information as of December 31, 2008 concerning outstanding equity awards held by the Named Executive Officers listed in the Summary Compensation Table.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date (2)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Perry A. Sook	300,000			$ 14.00	11/28/2013				
	240,000	60,000		$ 8.63	12/15/2014				
	180,000	120,000		$ 4.37	12/15/2015				
	120,000	180,000		$ 4.90	12/19/2016				
	60,000	240,000		$ 9.02	12/20/2017				
Matthew E. Devine	120,000	180,000		$ 4.68	01/23/2016				
	30,000	45,000		$ 4.90	12/19/2016				
	12,000	48,000		$ 9.02	12/20/2017				
Brian Jones	50,000			$ 14.00	11/28/2013				
	16,000	4,000		$ 8.63	12/15/2014				
	15,000	10,000		$ 4.37	12/15/2015				
	12,000	18,000		$ 4.90	12/19/2016				
	8,000	32,000		$ 9.02	12/20/2017				
Timothy C. Busch	50,000			$ 14.00	11/28/2013				
	16,000	4,000		$ 8.63	12/15/2014				
	15,000	10,000		$ 4.37	12/15/2015				
	12,000	18,000		$ 4.90	12/19/2016				
	5,000	20,000		$ 9.02	12/20/2017				
Shirley E. Green	30,000			$ 14.00	11/28/2013				
	8,000	2,000		$ 8.63	12/15/2014				
	9,000	6,000		$ 4.37	12/15/2015				
	4,000	6,000		$ 4.90	12/19/2016				
	2,000	8,000		$ 9.02	12/20/2017				

(1) Unless otherwise noted, stock options vest at a rate of twenty percent each year until the award is fully vested on the fifth anniversary of the grant date.
(2) Stock options expire ten years from the date of grant.

2008 Option Exercises and Stock Vested

The following table sets forth information concerning option exercises and stock vested for each of the Named Executive Officers listed in the Summary Compensation Table during the fiscal year ended December 31, 2008:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting ($)
Perry A. Sook				
Matthew E. Devine				
Brian Jones				
Timothy C. Busch				
Shirley E. Green				

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Potential Payments Upon Termination Or Change In Control

Each of our Named Executive Officers has entered into an employment agreement with the Company, see Executive Compensation Employment Agreements . Included in each employment agreement are provisions regarding termination of employment, including a change in control of the Company. The circumstances that would result in the payment of severance compensation and other benefits under the employment agreements are identical for each of the Named Executive Officers.

As defined in the employment agreements, there are three different circumstances that would result in the payment of severance compensation, each as defined in the employment agreements, as follows: (1) change in control of the Company; (2) termination by the Company for reasons other than cause; and (3) resignation by the Named Executive Officer with good reason.

In the event of termination for any of the above reasons, as defined in the employment agreements, each Named Executive Officer is eligible to receive his base salary for a period of one year (except for Mr. Sook who would receive two years base salary plus target bonus) and is eligible to receive continued coverage under the Company s healthcare insurance plan in accordance with the continuation requirements of COBRA for one year with premiums paid by Nexstar.

The following table sets forth potential payments to our Named Executive Officers under their employment agreements, for various circumstances involving the termination of employment of our Named Executive Officers or change in control of the Company, assuming a December 31, 2008 termination date.

Name	Executive Benefits and Payments Upon Termination	Death ($)	Disability ($)	Change In Control ($)	Involuntary for Cause Termination ($)	Involuntary Not for Cause Termination ($)	Voluntary Termination With Good Reason ($)	Voluntary Termination Without Good Reason ($)
Perry A. Sook	Severance payments			$ 2,700,000		$ 2,700,000	$ 2,700,000	
	Healthcare benefits continuation			14,606		14,606	14,606	
Matthew E. Devine	Severance payments			379,397		379,397	379,397	
	Healthcare benefits continuation			14,606		14,606	14,606	
Brian Jones	Severance payments			345,834		345,834	345,834	
	Healthcare benefits continuation			14,606		14,606	14,606	
Timothy C. Busch	Severance payments			345,834		345,834	345,834	
	Healthcare benefits continuation			14,606		14,606	14,606	
Shirley E. Green	Severance payments			201,250		201,250	201,250	
	Healthcare benefits continuation			14,606		14,606	14,606	

Executive Employment Agreements

The Company currently has an employment agreement in place with each of its Named Executive Officers. The following is summarized information related to the base salary, annual cash bonus and severance compensation and termination provisions contained in the employment agreement of each Named Executive Officer.

Perry A. Sook

Mr. Sook is employed as President and Chief Executive Officer under an employment agreement with us. The term of the agreement expires on December 31, 2011 and automatically renews for successive one-year periods unless either party notifies the other of its intention not to renew the agreement. Under the agreement, Mr. Sook s base salary was $750,000 in 2008 and is $900,000 in 2009, $950,000 in 2010 and $1,000,000 in 2011. In addition to his base salary, Mr. Sook was eligible to earn a targeted annual bonus of $375,000 for 2008 and is eligible to earn a targeted annual bonus of $450,000 for 2009, $475,000 for 2010 and $500,000 for 2011, upon achievement of goals established by our Board of Directors. In the event of termination for reasons other than cause, or if Mr. Sook resigns for good reason, as defined in the agreement, Mr. Sook is eligible to receive his base salary and target bonus for a period of two years and is eligible to receive continued coverage under the Company s healthcare insurance plan in accordance with the continuation requirements of Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) for one year with premiums paid by Nexstar.

Mr. Sook s employment agreement was renewed on November 13, 2008. Under the new agreement, Mr. Sook received an increase in base salary for 2009 and beyond primarily because of his increased responsibility for overseeing the maintenance and renewal of retransmission consent agreements and the ongoing development of on-line media sales and other sources of revenue. Mr. Sook received a $350,000 signing bonus for renewing his contract. The bonus was given both as a reward for Mr. Sook s early success in renegotiating various retransmission consent agreements in 2008 and as an incentive for his continued employment with Nexstar. The signing bonus is repayable to the Company on a pro-rata basis if Mr. Sook voluntarily resigns or retires prior to December 31, 2011.

Matthew E. Devine

Effective January 23, 2006, Mr. Devine became Chief Financial Officer and Executive Vice President under an employment agreement with us. The term of the agreement expires on January 22, 2011 and automatically renews for successive one-year periods unless either party notifies the other of its intention not to renew the agreement. Under the agreement, Mr. Devine s base salary was $370,000 from January 23, 2008 through January 22, 2009, and is $380,000 from January 23, 2009 through January 22, 2010, and $400,000 after January 23, 2010. In addition to his base salary, Mr. Devine was eligible to earn a targeted annual bonus of $185,000 for 2008, and is eligible to earn a targeted annual bonus of $190,000 for 2009, and $200,000 for 2010, at the discretion of our Chief Executive Officer, based on Mr. Devine s achievement of goals established by our Chief Executive Officer. Mr. Devine resigned from his position with the Company on May 11, 2009.

Timothy C. Busch

Mr. Busch is employed as Executive Vice President and Co-Chief Operating Officer under an employment agreement with us. The initial term of his agreement terminates on May 31, 2013 and automatically renews for successive one-year periods unless either party notifies the other of its intention not to renew the agreement. Under the agreement, Mr. Busch s base salary is $340,000 from June 1, 2008 through May 31, 2009, $350,000 from June 1, 2009 through May 31, 2010, $360,000 from June 1, 2010 through May 31, 2011, $370,000 from June 1, 2011 through May 31, 2012 and $380,000 thereafter. In addition to his base salary, Mr. Busch was eligible to earn a targeted annual bonus of $170,000 for 2008 and is eligible to earn a targeted annual bonus of $175,000 for 2009, $180,000 for 2010, $185,000 for 2011 and $190,000 for 2012 at the discretion of our Chief Executive Officer, based on Mr. Busch s attainment of goals set by our Chief Executive Officer. In the event of termination upon change of control or for reasons other than cause, or if Mr. Busch resigns for good reason, as defined in the agreement, Mr. Busch is eligible to receive his base salary for a period of one year and is eligible to receive continued coverage under the Company s healthcare insurance plan in accordance with the continuation requirements of COBRA for one year with premiums paid by Nexstar.

Effective June 1, 2008, Mr. Busch entered into a new employment agreement with the Company as a result of a promotion to Co-Chief Operating Officer, along with Brian Jones. Under the new agreement, Mr. Busch received an increase in base salary, as reflected above, due to his increase in responsibilities that included taking on some of the duties of the Company s former Chief Operating Officer, Duane Lammers, who left the Company in May 2008.

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Brian Jones

Mr. Jones is employed as Executive Vice President and Co-Chief Operating Officer under an employment agreement with us. The initial term of his agreement terminates on May 31, 2013 and automatically renews for successive one-year periods unless either party notifies the other of its intention not to renew the agreement. Under the agreement, Mr. Jones base salary is $340,000 from June 1, 2008 through May 31, 2009, $350,000 from June 1, 2009 through May 31, 2010, $360,000 from June 1, 2010 through May 31, 2011, $370,000 from June 1, 2011 through May 31, 2012 and $380,000 thereafter. In addition to his base salary, Mr. Jones was eligible to earn a targeted annual bonus of $170,000 for 2008 and is eligible to earn a targeted annual bonus of $175,000 for 2009, $180,000 for 2010, $185,000 for 2011 and $190,000 for 2012 at the discretion of our Chief Executive Officer, based on Mr. Jones attainment of goals set by our Chief Executive Officer. In the event of termination upon a change of control or for reasons other than cause, or if Mr. Jones resigns for good reason, as defined in the agreement, Mr. Jones is eligible to receive his base salary for a period of one year and is eligible to receive continued coverage under the Company s healthcare insurance plan in accordance with the continuation requirements of COBRA for one year with premiums paid by Nexstar.

Effective June 1, 2008, Mr. Jones entered into a new employment agreement with the Company as a result of a promotion to Co-Chief Operating Officer, along with Tim Busch. Under the new agreement, Mr. Jones received an increase in base salary, as reflected above, due to his increase in responsibilities that included taking on some of the duties of the Company s former Chief Operating Officer, Duane Lammers, who left the Company in May 2008.

Shirley E. Green

Ms. Green is employed as Vice President, Controller under an employment agreement with us. The initial term of her agreement terminates on October 1, 2011 and automatically renews for successive one-year periods unless either party notifies the other of its intention not to renew the agreement. Under the agreement, Ms. Green s base salary is $200,000 from October 1, 2008 through September, 30 2009, $205,000 from October 1, 2009 through September 30, 2010, and $210,000 thereafter. In addition to her base salary, Ms. Green was eligible to earn a targeted annual bonus of $40,000 for 2008 and is eligible to earn a targeted annual bonus of $41,000 for 2009 and $42,000 for 2010 at the discretion of our Chief Executive Officer, based on Ms. Green s attainment of goals set by our Chief Executive Officer. In the event of termination upon a change of control or for reasons other than cause, or if Ms. Green resigns for good reason, as defined in the agreement, Ms. Green is eligible to receive her base salary for a period of one year and is eligible to receive continued coverage under the Company s healthcare insurance plan in accordance with the continuation requirements of COBRA for one year with premiums paid by Nexstar.

Compensation of Directors

Overview of Compensation and Procedures

Nexstar employees do not receive compensation for services as directors, and ABRY nominees have historically agreed that they would not receive compensation for their Nexstar Board services including for 2009. Accordingly, Messrs. Sook, Battaglia, Brooks, Grossman, Stone and Yudkoff serve on the Board of Directors without additional compensation. Messrs. Donovan, Armstrong and Pompadur and Ms. McNabb each received an annual retainer of $15,000 for 2008, plus $1,500 for each in-person meeting that they attended and $750 for each telephonic meeting that they attended of the Board of Directors or committee thereof of which they are a member. Effective March 2009, Ms. McNabb was appointed Chair of the Audit Committee. Upon Ms. McNabb s appointment, the Board of Directors passed a resolution that beginning with 2009, the annual retainer for Ms. McNabb will be increased to $25,000. In addition, members of the Board of Directors are reimbursed for expenses they incur in attending meetings. There were no awards of stock options to any director during 2008.

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Directors hold office until the next meeting of the stockholders of Nexstar for the election of directors and until their successors are elected and qualified. There are no family relationships among directors or executive officers of Nexstar.

2008 Director Compensation Table

The following table sets forth information concerning compensation to each of our directors (excluding the Named Executive Officer who is also a director disclosed in the Summary Compensation Table) during the fiscal year ended December 31, 2008:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(2)	Total ($)
Geoff Armstrong	$ 25,500		$ 33,513			$ 2,567	$ 61,580
Michael Donovan	19,500		33,513				53,013
I. Martin Pompadur	26,250		33,513			2,164	61,927
Lisbeth McNabb (3)	25,500		13,935			4,519	43,954

(1) Represents the amount recognized as compensation expense in the Company s financial statements in accordance with accounting and disclosure requirements for share based payments with respect to all stock options awarded to our directors without regard to estimated forfeitures. See the notes to the Company s consolidated financial statements for discussion of the assumptions made in the valuation of these awards. The amount recognized for financial statement reporting purposes is recognized ratably over the vesting term of the awards. The aggregate option awards outstanding for each person in the table set forth above as of December 31, 2008 are as follows:

Name	Vested	Unvested
Geoff Armstrong	28,000	22,000
Michael Donovan	28,000	22,000
I. Martin Pompadur	28,000	22,000
Lisbeth McNabb	6,000	14,000

Stock options vest at a rate of twenty percent each year until the award is fully vested on the fifth anniversary of the grant date and expire ten years from the date of grant.

(2) Represents reimbursed travel expenses incurred to attend board of directors meetings.

(3) Ms. McNabb is the Chief Executive Officer and founder of w2wlink.com, an internet company targeted to professional women with content and online networking. Given her expertise in the area, Ms. McNabb reviewed and discussed the Company s new media initiative with the Company in consultation with a third party consultant. In connection therewith, Ms. McNabb received a payment on behalf of w2wlink.com for approximately $8,000 in 2008 which amount is not included in the table. Pursuant to an understanding with the Company, a portion of such amount was paid to the third party consultant. Ms. McNabb has agreed to remit any portion of such payment not paid to the third party back to the Company.

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PRINCIPAL EQUITYHOLDERS

The equity interests of Nexstar are indirectly 100% owned by our ultimate parent company, Nexstar Broadcasting Group, Inc.

SECURITY OWNERSHIP AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding the beneficial ownership of Nexstar s Common Stock as of March 31, 2009 by (i) those persons known to Nexstar to be the beneficial owners of more than five percent of the outstanding shares of Common Stock of Nexstar, (ii) each director of Nexstar, (iii) the Named Executive Officers listed in the Summary Compensation Table and (iv) all directors and executive officers of Nexstar as a group. Under such rules, beneficial ownership includes any shares as to which the entity or individual has sole or shared voting power or investment power and also any shares that the entity or individual had the right to acquire as of March 1, 2009 (60 days after December 31, 2008) through the exercise of any stock option or other right. This information has been furnished by the persons named in the table below or in filings made with the Securities and Exchange Commission. Where the number of shares set forth below includes shares beneficially owned by spouses and minor children, the named persons disclaim any beneficial interest in the shares so included. Unless otherwise indicated, a person s address is c/o Nexstar Broadcasting Group, Inc., 5215 North O Connor Blvd., Suite 1400, Irving, TX 75039.

Beneficial Ownership Table

	Class A Common Stock			Class B Common Stock		Class C Common Stock		Percent of Total	
Name of Beneficial Owner	**Direct Ownership**	**Vested Options**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Economic Interest**	**Voting Power**
Beneficial Owners of More Than 5%:									
ABRY (1)	3,490,883		23.3%	13,024,501	97.1%			58.1%	89.7%
FMR Corp. (2)	1,950,200		13.0%					6.9%	1.3%
Neuberger Berman, LLC (3)	1,995,500		13.3%					7.0%	1.3%
Renaissance Technologies LLC (4)	866,800		5.8%					3.0%	0.6%
Current Directors and Nominees:									
Royce Yudkoff (5)(6)	3,490,883		23.3%	13,024,501	97.1%			58.1%	89.7%
Perry A. Sook (7)	363,119	900,000	8.4%	387,087	2.9%			5.8%	3.4%
Blake R. Battaglia (6)									
Erik Brooks (6)	30,500		0.2%					0.1%	0.0%
Jay M. Grossman (6)	100,000		0.7%					0.4%	0.1%
Brent Stone (6)									
Geoff Armstrong		28,000	0.2%					0.1%	0.0%
Michael Donovan	6,700	28,000	0.2%					0.1%	0.0%
I. Martin Pompadur		28,000	0.2%					0.1%	0.0%
Lisbeth McNabb		6,000	0.0%					0.0%	0.0%
Current Named Executive Officers:									
Matthew E. Devine	227,500	222,000	3.0%					1.6%	0.3%
Brian Jones	10,500	101,000	0.7%					0.4%	0.1%
Timothy C. Busch	25,214	98,000	0.8%					0.4%	0.1%
Shirley E. Green	18,497	53,000	0.5%					0.3%	0.0%
All current directors and executive officers as a group (18 persons)	4,324,868	1,559,000	39.2%	13,411,588	100.0%			67.9%	93.9%

(1)

Represents 7,147,964 shares of Class B Common Stock owned by ABRY Broadcast Partners II, L.P.; and 3,490,883 shares of Class A Common Stock and 5,876,537 shares of Class B Common Stock owned by ABRY Broadcast Partners III, L.P., which are affiliates of ABRY Broadcast Partners, LLC. The address of ABRY is 111 Huntington Avenue, 30th Floor, Boston, MA 02199.

(2) The address of FMR Corp. is 82 Devonshire Street, Boston, MA 02109.

(3) The address of Neuberger Berman, LLC is 605 Third Avenue, New York, NY 10158.
(4) The address of Renaissance Technologies LLC is 800 Third Avenue, New York, NY 10022.
(5) Mr. Yudkoff is the sole trustee of ABRY Holdings III, Co., which is the sole member of ABRY Holdings III LLC, which is the sole general partner of ABRY Equity Investors, L.P., the sole general partner of ABRY Broadcast Partners III, L.P. Mr. Yudkoff is also the trustee of ABRY Holdings Co., which is the sole member of ABRY Holdings LLC, which is the sole general partner of ABRY Capital, L.P., which is the sole general partner of ABRY Broadcast Partners II, L.P.
(6) The address of Mr. Yudkoff, Mr. Battaglia, Mr. Brooks, Mr. Grossman and Mr. Stone is the address of ABRY.
(7) Represents shares owned by PS Sook Ltd., of which Mr. Sook and his spouse are the beneficial owners.

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CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Our Board of Directors has not adopted a written policy or procedure for the review, approval and ratification of related party transactions, as the Audit Committee Charter already requires the Audit Committee to review all relationships and transactions in which the Company and our employees, directors and officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. Based on all the relevant facts and circumstances, our Audit Committee will decide whether the related-party transaction is appropriate and will approve only those transactions that are in the best interests of the Company.

All employees sign a conflict of interest statement annually, and we require our directors and executive officers to complete annually a directors and officers questionnaire which requires disclosure of any related-party transactions. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in our periodic filings as appropriate.

Nexstar is party to a retransmission consent agreement, dated as of December 31, 2008 (the Retransmission Consent Agreement), with an affiliate of Atlantic Broadband Finance, LLC (Atlantic Broadband), a national cable systems operator. FCC rules require Nexstar to enter into either a retransmission consent or must carry agreement with every cable company that operates in any of its markets. Atlantic Broadband operates in the Hagerstown, MD; Erie, PA; Altoona, PA and Wilkes-Barre, PA markets. Accordingly, pursuant to FCC rules, Nexstar entered into the Retransmission Consent Agreements. The Company estimates that revenue from the Retransmission Consent Agreement with Atlantic Broadband for fiscal 2008 was approximately $20,000. For fiscal 2009, the Company estimates that the Retransmission Consent Agreement will result in revenue of approximately $750,000.

Affiliates of ABRY Broadcast Partners, LLC, the Company s largest stockholder, hold a controlling equity stake in Atlantic Broadband. Five of our directors, Messrs. Battaglia, Brooks, Grossman, Stone and Yudkoff, hold positions at ABRY. Messrs. Battaglia and Stone are Principals of ABRY; Mr. Brooks serves as Partner; and Messrs. Grossman and Yudkoff each serve as Managing Partner of ABRY. Mr. Yudkoff also serves as President of ABRY.

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DESCRIPTION OF THE NEW NOTES

You can find the definitions of certain terms used in this description under the subheading Certain Definitions. In this description, the word Nexstar refers only to Nexstar Broadcasting, Inc.

On June 30, 2008, Nexstar issued $35,623,410 million aggregate principal amount of Senior Subordinated PIK Notes due 2014, referred to in this section as the Initial Notes, under an indenture (the Base Indenture) among Nexstar and The Bank of New York, as trustee (the Trustee), as supplemented by the First Supplemental Indenture thereto, dated as of June 30, 2008 (together with the Base Indenture, the Indenture). The purpose of the Supplemental Indenture was to make Nexstar Broadcasting Group, Inc. a guarantor. Nexstar Broadcasting Group, Inc. is not be considered a Guarantor (as defined in the Indenture) for purposes of the Indenture.

Nexstar will issue the New Notes, and collectively with the Old Notes (the Notes) under the Indenture. The following is a summary of the material provisions of the Indenture. It does not include all of the provisions of the Indenture. We urge you to read the Indenture because it defines your rights. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the TIA). Copies of the Indenture and the Supplemental Indenture are filed as part of this registration statement as Exhibits 4.3 and 4.4, respectively.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes:

The Notes:

are general unsecured obligations of Nexstar;

are subordinated in right of payment to all existing and future Senior Debt;

are *pari passu* in right of payment with any future senior subordinated Indebtedness of Nexstar; and

are fully and unconditionally guaranteed, jointly and severally, by the Guarantors.

The Guarantees

The Notes are guaranteed by the ultimate parent of Nexstar, Nexstar Broadcasting Group, Inc., and all of Nexstar s present and future Domestic Subsidiaries. **However, Nexstar Broadcasting Group, Inc. will not be considered a Guarantor for any purpose under this Indenture and, therefore, will not be subject to the Indenture.**

Each guarantee of the Notes:

- is a general unsecured obligation of the Guarantor;
- is subordinated in right of payment to all existing and future Senior Debt; and
- is *pari passu* in right of payment with any future senior subordinated Indebtedness of that Guarantor.

Under the circumstances described below under the subheading Certain Covenants Designation of Restricted and Unrestricted Subsidiaries, Nexstar and Mission will be permitted to designate certain of our subsidiaries as Unrestricted Subsidiaries. Such Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture. Our Unrestricted Subsidiaries will not guarantee the Notes.

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Principal, Maturity and Interest

In addition to the Notes offered hereby, Nexstar may issue additional Notes under the Indenture from time to time after this offering. Any offering of additional Notes is subject to the covenant described below under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock. The Notes offered hereby, the Initial Notes and any additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase except that the Notes offered hereby will, and any additional Notes may, initially be subject to transfer restrictions until we consummate an exchange offer or the Notes and any additional Notes are resold under a shelf registration statement. Nexstar will issue Notes in denominations of $l,000 and integral multiples of $l,000. The Notes will mature on January 15, 2014.

Interest on the Notes will accrue at the rate of: (a) 12% per annum from June 30, 2008 to January 15, 2010, payable entirely during such period by increasing the principal amount of the Notes by an amount equal to the amount of interest then due (Payment-in-Kind Interest); (b) 13% per annum, payable entirely in cash, from January 16, 2010 to July 15, 2010; (c) 13.5% per annum, payable entirely in cash, from July 16, 2010 to January 15, 2011; (d) 14.0% per annum, payable entirely in cash, from January 16, 2011 to July 15, 2011; (e) 14.5% per annum, payable entirely in cash, from July 16, 2011 to January 15, 2012; and (f) 15% per annum, payable entirely in cash, thereafter.

The Notes shall bear interest on the increased principal amount thereof from and after the applicable interest payment date on which a payment of Payment-in-Kind Interest is made. The Company shall pay interest on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect, and shall pay interest on overdue installments of interest and liquidated damages from time to time on demand at the same rate to the extent lawful. Upon the occurrence and continuance of a default or event of default, the applicable rate of interest payable on the Notes shall be increased by 1% (which shall be payable in cash) until such time as such default or event of default has been cured or waived. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Notes is payable semi-annually in arrears on July 15 and January 15 of each year, commencing on January 15, 2009.

Interest on the Notes will accrue from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to Nexstar, Nexstar will pay all principal, interest and premium and Liquidated Damages, if any, on that Holder s Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless Nexstar elects to make interest payments by check mailed to the Holders at their address set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar. Nexstar may change the paying agent or registrar without prior notice to the Holders of the Notes, and Nexstar or any of its Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A Holder may transfer or Exchange Notes in accordance with the Indenture. The registrar and the trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. Nexstar is not required to transfer or exchange any Note selected for redemption. Also, Nexstar is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

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Note Guarantees

The Notes will be guaranteed by Nexstar Broadcasting Group, Inc., and each of Nexstar s current and future Domestic Subsidiaries. These Note Guarantees will be joint and several obligations of the Guarantors. Each Note Guarantee will be subordinated to the prior payment in full of all Senior Debt. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. See Risk Factors Fraudulent Conveyance Matters Federal and state statutes allow courts, under specific circumstances, to void guarantees, subordinate claims in respect of the Notes and require Nexstar s noteholders to return payments received from guarantors.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than Nexstar or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under the Indenture, its Note Guarantee and the registration rights agreement pursuant to a supplemental Indenture satisfactory to the trustee; or

(b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either immediately before or immediately after giving effect to such transaction) a Restricted Subsidiary of Nexstar if the sale or other disposition complies with the Asset Sale provisions of the Indenture; or

(2) in connection with any sale of all of the Capital Stock of a Guarantor to a Person that is not (either immediately before or immediately after giving effect to such transaction) a Restricted Subsidiary of Nexstar, if the sale complies with the Asset Sale provisions of the Indenture; or

(3) if Nexstar designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) in connection with any transaction whereby a Guarantor is no longer a Restricted Subsidiary immediately after giving effect to such transaction if the transaction complies with the Asset Sale Provisions of the Indenture; or

(5) upon the discharge or release of all guarantees of such Guarantor, and all pledges of property or assets of such Guarantor securing all other Indebtedness of Nexstar and the Restricted Subsidiaries, which resulted in the creation of such Note Guarantee pursuant to the covenant Certain Covenants Limitations on Issuances of Guarantees of Indebtedness.

Future Guarantee

If any Mission Entity incurs any Indebtedness (other than (i) any Indebtedness incurred under the Mission Credit Agreement so long as the amount of such Indebtedness does not exceed the amount of Indebtedness that is outstanding thereunder and can be borrowed under the Mission Credit Agreement as in effect on March 31, 2008 or (ii) any Indebtedness of such Mission Entity in respect of any refinancing, extension, renewal, replacement, defeasance or refund of the Indebtedness incurred under the Mission Credit Agreement, provided, that such refinancing, extension, renewal, replacement, defeasance or refund constitutes Permitted Refinancing

Indebtedness, or (iii) Permitted Mission Guarantor Indebtedness), then the Company shall cause such Mission Entity to become a party to execute a Supplemental Indenture to the Indenture to effectuate its Note Guarantee. Such Note Guarantee shall be subordinated to any Senior Debt to the same extent as the Guarantee of the 7% Senior Subordinated Notes; provided, further, that if all or substantially all of the assets of Mission and its Subsidiaries existing at such time are held by such Subsidiaries, the Company may cause such Subsidiaries, rather than Mission, to provide such Note Guarantee and execute such Supplemental Indenture. Accrual of interest, accretion or amortization of original issue discount and the accretion of accreted value pursuant to the terms of the Mission Credit Agreement, Nexstar Credit Agreement or the 7% Senior Subordinated Notes, as applicable, as each is in effect on March 31, 2008 shall not be deemed to be an incurrence of Indebtedness.

Subordination

The payment of principal, interest and premium and Liquidated Damages, if any, on the Notes will be subordinated to the prior payment in full in cash or Cash Equivalents of all Senior Debt of Nexstar, including Senior Debt incurred after the date of the Indenture.

The holders of Senior Debt will be entitled to receive payment in full of all Obligations due in respect of Senior Debt (including interest after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt), whether or not a claim for such interest would be allowed in such proceeding before the Holders of Notes will be entitled to receive any payment with respect to the Notes or on account of any purchase or redemption or other acquisition of any Note (except that Holders of Notes may receive and retain Permitted Junior Securities and payments made from the trust described under Legal Defeasance and Covenant Defeasance so long as, on the date or dates the respective amounts were paid into trust, such payments were made without violating the subordination provisions described herein), in the event of any distribution to creditors of Nexstar:

(1) in a liquidation or dissolution of Nexstar;

(2) in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Nexstar or its property;

(3) in an assignment for the benefit of creditors; or

(4) in any marshaling of Nexstar s assets and liabilities.

Neither Nexstar nor any Guarantor may make any payment in respect of the Notes or on account of any purchase or redemption or other acquisition of any Note (except in Permitted Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance so long as, on the date or dates the respective amounts were paid into trust, such payments were made without violating the subordination provisions described herein) if:

(1) a default in the payment of the principal of, or premium, if any, or interest on, or any fees or other amounts relating to Designated Senior Debt occurs and is continuing beyond any applicable grace period; or

(2) any other default occurs and is continuing on any series of Designated Senior Debt that permits holders of that series of Designated Senior Debt to accelerate its maturity and the trustee receives a notice of such default (a Payment Blockage Notice) from the holders of any Designated Senior Debt.

Payments on the Notes (including any missed payments) may and will be resumed:

(1) in the case of a payment default, upon the date on which such default is cured or waived; and

(2) in the case of a nonpayment default, upon the earlier of the date on which such nonpayment default is cured or waived, 179 days after the date on which the applicable Payment Blockage Notice is received, or the date on which the trustee receives notice from the holders or any representative of the holders of Designated Senior Debt to terminate the applicable Payment Blockage Notice, unless the maturity of any Designated Senior Debt has been accelerated.

No new Payment Blockage Notice may be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the trustee will be, or be made, the basis for a subsequent Payment Blockage Notice unless such default has been cured or waived for a period of not less than 90 days.

If the trustee or any Holder of the Notes receives a payment in respect of the Notes (except in Permitted Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance so long as, on the date or dates the respective amounts were paid into trust, such payments were made without violating the subordination provisions described herein) when the payment is prohibited by these subordination provisions, the trustee or the Holder, as the case may be, will hold the payment in trust for the benefit of the holders of Senior Debt. Upon the proper written request of the holders of Senior Debt, the trustee or the Holder, as the case may be, will deliver the amounts in trust to the holders of Senior Debt or their proper representative.

Nexstar must promptly notify holders of Senior Debt of an Event of Default.

As a result of the subordination provisions described above, in the event of a bankruptcy, liquidation or reorganization of Nexstar, Holders of Notes may recover less ratably than creditors of Nexstar who are holders of Senior Debt. See Risk Factors Subordination Your right to receive payment on the Notes and the guarantees is junior to all of Nexstar s and the guarantor s senior debt.

Designated Senior Debt means:

(1) any Indebtedness outstanding under the Credit Agreements; and

(2) any other Senior Debt permitted under the indenture the principal amount of which is $25.0 million or more and that has been designated by Nexstar as Designated Senior Debt.

Permitted Junior Securities means:

(1) Equity Interests in Nexstar or any Guarantor; or

(2) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Notes and the Note Guarantees are subordinated to Senior Debt under the Indenture.

Senior Debt means:

(1) all Indebtedness of Nexstar or any Guarantor outstanding under Credit Facilities and all Hedging Obligations with respect thereto;

(2) any other Indebtedness of Nexstar or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes or any Note Guarantee; and

(3) all Obligations with respect to the items listed in the preceding clauses (1) and (2).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by Nexstar;

(2) any intercompany Indebtedness of Nexstar or any of its Restricted Subsidiaries to Nexstar or any of its Affiliates;

(3) any trade payables; or

(4) the portion of any Indebtedness that is incurred in violation of the Indenture.

For the avoidance of doubt, the 7% Senior Subordinated Notes do not constitute Senior Debt for purposes of this Indenture.

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Optional Redemption

On or after October 1, 2008 Nexstar may redeem all or a part of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below:

Year	Percentage
July 1, 2009 to September 30, 2009	101.75%
October 1, 2009 to December 31, 2009	102.50%
January 1, 2010 to January 14, 2011	109.75%
January 15, 2011 to January 14, 2012	106.50%
January 15, 2012 to January 14, 2013	103.25%
January 15, 2013 to January 15, 2014	100.00%

Notwithstanding the above, at any time from January 1, 2010 to June 30, 2010 the Company may redeem Notes at a redemption price equal to 102.50% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages, if any; provided, that on or prior to December 31, 2009 the Company or any of its Affiliates enters into a binding and irrevocable agreement to sell, convey or otherwise dispose of all of the Company s Equity Interests (by way of merger, consolidation or otherwise) or all of the Company s assets subject, in each case, to no conditions other than obtaining the approval of the Federal Communications Commission (the FCC) for an FCC license transfer in connection with such sale, conveyance or disposition.

Mandatory Redemption

Nexstar is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each Holder of Notes will have the right to require Nexstar to repurchase all or any part (equal to $1,000 or an integral multiple of $l,000) of that Holder s Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, Nexstar will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes repurchased, to the date of purchase. Within 60 days following any Change of Control, Nexstar will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed pursuant to the procedures required by the Indenture and described in such notice. Nexstar will comply with the requirements of Rule 14e-l under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, Nexstar will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such conflict.

On the Change of Control Payment Date, Nexstar will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

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(3) deliver or cause to be delivered to the trustee the Notes properly accepted together with an officers certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by Nexstar.

The paying agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each new Note will be in a principal amount of $1,000 or an integral multiple of $l,000.

Prior to complying with any of the provisions of this Change of Control covenant, but in any event within 90 days following a Change of Control, Nexstar will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Notes required by this covenant. Nexstar will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require Nexstar to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that Nexstar repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Nexstar will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by Nexstar and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Nexstar and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require Nexstar to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Nexstar and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

(E) Nexstar and the Guarantors will not, and will not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Nexstar or the Guarantor (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) the fair market value is determined by Nexstar s Board of Directors and evidenced by a resolution of the Board of Directors set forth in an officers certificate delivered to the trustee; and

(3) at least 75% of the consideration received in the Asset Sale by Nexstar, such Guarantor or such Restricted Subsidiary is in the form of cash or Cash Equivalents, except to the extent Nexstar is undertaking a Permitted Asset Swap. For purposes of this provision and the next paragraph, each of the following will be deemed to be cash:

(a) any liabilities, as shown on Nexstar s, such Guarantor s or such Restricted Subsidiary s most recent balance sheet, of Nexstar, any Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases Nexstar, such Guarantor or such Restricted Subsidiary from further liability; and

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(b) any securities, Notes or other obligations received by Nexstar, such Guarantor or any such Restricted Subsidiary from such transferee that are converted by Nexstar, such Guarantor or such Restricted Subsidiary within 90 days into cash or Cash Equivalents, to the extent of the cash received in that conversion.

The 75% limitation referred to in clause (3) above will not apply to any Asset Sale in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the preceding provision, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Notwithstanding the foregoing, Nexstar, a Guarantor or any Restricted Subsidiary will be permitted to consummate an Asset Sale without complying with the foregoing if:

(x) Nexstar, such Guarantor or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or other property sold, issued or otherwise disposed of;

(y) the fair market value is determined by Nexstar s Board of Directors and evidenced by a resolution of the Board of Directors set forth in an officers certificate delivered to the trustee; and

(z) at least 75% of the consideration for such Asset Sale constitutes a controlling interest in a Permitted Business, assets used or useful in a Permitted Business and/or cash;

provided that any cash (other than any amount deemed cash under clause (3)(a) of the preceding paragraph) received by Nexstar, such Guarantor or such Restricted Subsidiary in connection with any Asset Sale permitted to be consummated under this paragraph shall constitute Net Proceeds subject to the provisions of the next paragraph.

(F) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Nexstar, such Guarantor or such Restricted Subsidiary may apply those Net Proceeds at its option:

(1) to permanently repay or repurchase Senior Debt of Nexstar or any Guarantor;

(2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business;

(3) to make a capital expenditure; or

(4) to acquire other assets that are used or useful in a Permitted Business.

Pending the final application of any Net Proceeds, Nexstar may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds $10.0 million, Nexstar will make an Asset Sale Offer to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Nexstar may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee will select the Notes and such other *pari passu* Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

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(G) Nexstar will comply with the requirements of Rule 14e-l under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, Nexstar will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such conflict.

Nexstar will, and will cause the Restricted Subsidiaries to utilize the proceeds of sales of assets received by it in accordance with clause (11) of the covenant described under the caption Restricted Payments as if such proceeds were the Net Proceeds of an Asset Sale.

The agreements governing Nexstar s and the Guarantors outstanding Senior Debt currently prohibit Nexstar and the Guarantors from purchasing any Notes, and also provides that certain change of control or asset sale events with respect to Nexstar and the Guarantors would constitute a default under these agreements. Any future credit agreements or other agreements relating to Senior Debt to which Nexstar and the Guarantors becomes a party may contain similar restrictions and provisions. In the event a Change of Control or Asset Sale occurs at a time when Nexstar and the Guarantors are prohibited from purchasing Notes, Nexstar and the Guarantors could seek the consent of its senior lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If Nexstar and the Guarantors do not obtain such a consent or repay such borrowings, Nexstar and the Guarantors will remain prohibited from purchasing Notes. In such case, Nexstar s failure to purchase tendered Notes would constitute an Event of Default under the indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the Indenture would likely restrict payments to the Holders of Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the trustee will select Notes for redemption as follows:

(1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such method as the trustee deems fair and appropriate.

No Notes of $l,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Certain Covenants

Restricted Payments

The Company and each Guarantor shall not, and shall not permit any of the Restricted Subsidiaries to, directly or indirectly, make a Restricted Payment unless such Restricted Payment is permitted pursuant to Section 7.10 of the Nexstar Credit Agreement.

Incurrence of Indebtedness and Issuance of Preferred Stock

Nexstar and the Guarantors will not, and will not permit any of the Restricted Subsidiaries to, directly, or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, incur) any Indebtedness (including Acquired Debt) and that Nexstar will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however,* that Nexstar or any Guarantor may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock or preferred stock if Nexstar s Leverage Ratio at the time of incurrence of such Indebtedness or the issuance of such Disqualified Stock or such preferred stock, as the case may be, after giving pro forma effect to such incurrence or issuance as of such date and to the use of the proceeds therefrom as if the same had occurred at the beginning of the most recently ended four full fiscal quarter period of Nexstar for which internal financial statements are available, would have been no greater than 7.0 to 1.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, Permitted Debt):

(1) the incurrence by Nexstar or the Restricted Subsidiaries of Indebtedness under the Credit Agreements (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Nexstar and the Restricted Subsidiaries thereunder) and related Guarantees under the Credit Agreements; *provided* that the aggregate principal amount of all Indebtedness of Nexstar and the Restricted Subsidiaries then classified as having been incurred pursuant to this clause (1) after giving effect to such incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (1) does not exceed an amount equal to $275.0 million less the aggregate amount applied by Nexstar and the Restricted Subsidiaries to permanently reduce the availability of Indebtedness under the Credit Agreements pursuant to the covenant described under the caption Repurchase at the Option of Holders Asset Sales ;

(2) the incurrence by Nexstar and the Restricted Subsidiaries of Existing Indebtedness;

(3) the incurrence by Nexstar of Indebtedness represented by the Notes in accordance with the terms of the Indenture;

(4) the incurrence by Nexstar or any of the Restricted Subsidiaries of Permitted Refinancing Indebtedness;

(5) the incurrence by Nexstar or any of the Restricted Subsidiaries of intercompany Indebtedness between or among Nexstar and any of the Restricted Subsidiaries; *provided, however,* that (i) any subsequent event or issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Nexstar or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not Nexstar or a Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Nexstar or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (5);

(6) the incurrence by Nexstar or any of the Restricted Subsidiaries of Hedging Obligations that are incurred in the ordinary course of business for the purpose of fixing or hedging currency, commodity or interest rate risk (including with respect to any floating rate Indebtedness that is permitted by the terms of the Indenture to be outstanding) in connection with the conduct of their respective businesses and not for speculative purposes;

(7) the guarantee by Nexstar of Indebtedness of any of the Restricted Subsidiaries so long as the incurrence of such Indebtedness by such Restricted Subsidiary is permitted to be incurred by another provision of this covenant;

(8) the guarantee by any Restricted Subsidiary of Indebtedness of Nexstar or any Guarantor;

(9) Indebtedness consisting of customary indemnification, adjustments of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition of any business or assets;

(10) Indebtedness incurred by Nexstar or any of the Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation to letters of credit in respect to workers compensation claims or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers compensation claims; *provided, however,* that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(11) Indebtedness of Nexstar and the Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment whether through the direct purchase of assets or at least a majority of the Voting Stock of any person owning such assets, in an aggregate principal amount not to exceed $5.0 million at any time outstanding;

(12) Obligations in respect of performance and surety bonds and completion guarantees provided by Nexstar or any Restricted Subsidiary in the ordinary course of business;

(13) Acquisition Debt of Nexstar or a Restricted Subsidiary if (w) such Acquisition Debt is incurred within 270 days after the date on which the related definitive acquisition agreement or LMA, as the case may be, was entered into by Nexstar or such Restricted Subsidiary, (x) the aggregate principal amount of such Acquisition Debt is no greater than the aggregate principal amount of Acquisition Debt set forth in a notice from Nexstar to the Trustee (an Incurrence Notice) within ten days after the date on which the related definitive acquisition agreement or LMA, as the case may be, was entered into by Nexstar or such Restricted Subsidiary, which notice shall be executed on Nexstar s behalf by the chief financial officer of Nexstar in such capacity and shall describe in reasonable detail the acquisition or LMA, as the case may be, which such Acquisition Debt will be incurred to finance, (y) after giving *pro forma* effect to the acquisition or LMA, as the case may be, described in such Incurrence Notice, Nexstar or such Restricted Subsidiary could have incurred such Acquisition Debt under the Indenture as of the date upon which Nexstar delivers such Incurrence Notice to the Trustee and (z) such Acquisition Debt is utilized solely to finance the acquisition or LMA, as the case may be, described in such Incurrence Notice (including to repay or refinance indebtedness or other obligations incurred in connection with such acquisition or LMA, as the case may be, and to pay related fees and expenses); and

(14) the incurrence by Nexstar or any of the Restricted Subsidiaries of additional Indebtedness, including Attributable Debt incurred after the date of the Indenture, in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (14), not to exceed $10.0 million.

For purposes of determining compliance with this Incurrence of Indebtedness and Issuance of Preferred Stock covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (14) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, Nexstar will be permitted to classify such item of Indebtedness on the date of its incurrence in any manner that complies with this covenant. In addition, Nexstar may, at any time, change the classification of an item of Indebtedness, or any portion thereof, to any other clause or to the first paragraph of this covenant, provided that Nexstar or a Restricted Subsidiary would be permitted to incur the item of Indebtedness, or portion of the item of Indebtedness, under the other clause or the first paragraph of this covenant, as the case may be, at the time of reclassification. Accrual of interest, accretion or amortization of original issue discount and the accretion of accreted value will not be deemed to be an incurrence of Indebtedness for purposes of this covenant.

Anti-Layering

Nexstar will not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of Nexstar and senior in any respect in right of

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payment to the Notes. No Guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to the Senior Debt of such Guarantor and senior in any respect in right of payment to such Guarantor s Note Guarantee.

Liens

Nexstar will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness, Attributable Debt, or trade payables on any asset now owned or hereafter acquired, except Permitted Liens.

Dividend and Other Payment Restrictions Affecting Subsidiaries

Nexstar and the Guarantors will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to Nexstar or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to Nexstar or any of the Restricted Subsidiaries;

(2) make loans or advances to Nexstar or any of the Restricted Subsidiaries; or

(3) transfer any of its properties or assets to Nexstar or any of the Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the date of the Indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the Indenture;

(2) the Indenture, the Notes and the Note Guarantees;

(3) applicable law, rule, regulation or order;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by Nexstar or any of the Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(6) purchase money obligations (including Capital Lease Obligations) for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;

(7) contracts for the sale of assets, including without limitation any agreement for the sale or other disposition of a Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition:

(8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described above under the caption Liens that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(12) agreements governing Indebtedness of Mission permitted to be incurred under the Indenture.

Merge, Consolidation or Sale of Assets

Nexstar may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not Nexstar is the surviving corporation); or (2) sell, assign, transfer, conveyor otherwise dispose of all or substantially all of the properties or assets of Nexstar and the Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

(1) either: (a) Nexstar is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than Nexstar) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than Nexstar) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of Nexstar under the Notes, the Indenture and the registration rights agreement pursuant to agreements reasonably satisfactory to the trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) Nexstar or the Person formed by or surviving any such consolidation or merger (if other than Nexstar), or to which such sale, assignment, transfer, conveyance or other disposition has been made (a) will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of the covenant described above under the caption Incurrence of Indebtedness and Issuance of Preferred Stock, or (b) would have a lower Leverage Ratio immediately after the transaction, after giving pro forma effect to the transaction as if the transaction had occurred at the beginning of the applicable four quarter period, than Nexstar s Leverage Ratio immediately prior to the transaction.

The preceding clause (4) will not prohibit: (a) a merger between Nexstar and one of Nexstar s Wholly Owned Subsidiaries or (b) a merger between Nexstar and one of Nexstar s Affiliates incorporated solely for the purpose of reincorporating in another state of the United States.

In addition, Nexstar may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Merger, Consolidation or Sale of Assets covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among Nexstar and any of its Wholly Owned Restricted Subsidiaries.

Transactions with Affiliates

Nexstar and the Guarantors will not, and will not permit any of the Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an Affiliate Transaction), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to Nexstar or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Nexstar or such Restricted Subsidiary with an unrelated Person; and

(2) Nexstar delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $1.0 million, a resolution of the Board of Directors set forth in an officers certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $7.5 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement entered into by Nexstar or any of the Restricted Subsidiaries in the ordinary course of business of Nexstar or such Restricted Subsidiary;

(2) transactions between or among Nexstar and/or the Restricted Subsidiaries;

(3) loans, advances, payment of reasonable fees, indemnification of directors, or similar arrangements to officers, directors, employees and consultants who are not otherwise Affiliates of Nexstar;

(4) sales of Equity Interests (other than Disqualified Stock) of Nexstar to Affiliates of Nexstar;

(5) transactions under any contract or agreement in effect on the date of the Indenture as the same may be amended, modified or replaced from time to time so long as any amendment, modification, or replacement is no less favorable to Nexstar and the Restricted Subsidiaries than the contract or agreement as in effect on the date of the Indenture; and

(6) Permitted Investments and Restricted Payments that are permitted by the provisions of the Indenture described above under the caption Restricted Payments.

Limitations on Issuances of Guarantees of Indebtedness

Except for any Indebtedness described under Future Guarantee above, Nexstar will not permit any Restricted Subsidiary, directly or indirectly, to incur Indebtedness or guarantee or pledge any assets to secure the payment of any other of Nexstar s Indebtedness or that of any Restricted Subsidiary unless either the Restricted Subsidiary

(1) is a subsidiary guarantor or

(2) simultaneously executes and delivers a supplemental Indenture to the Indenture and becomes a subsidiary guarantor which guarantee shall

(a) with respect to any guarantee of Senior Debt, be subordinated in right of payment on the same terms as the notes are subordinated t