

(b) made any sale, assignment, lease or other transfer of assets other than in the normal and usual course of business;

(c) canceled any debts owed to or claims held by Sellers except in the normal and usual course of business;

(d) made any changes in Sellers' accounting practices;

(e) suffered any write-down of the value of any Assets or any material write-off as uncollectable of any accounts receivable which individually or in the aggregate is material;

(f) transferred or granted any right under or entered into any settlement regarding the breach or infringement of any license, patent, copyright, trademark, trade name, franchise or similar right, or modified any existing rights;

(g) amended or terminated any Contract or License to which any Seller is a party except in the ordinary course of business;

(h) lowered in any material respects the advertising rates of the Station in a manner not consistent with past practices or not reflective of current market conditions;

(i) received notice from any sponsor or any customer as to the sponsor's or customer's intention not to conduct business with the Station, the result of which loss or losses of business, individually, or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect;

(j) suffered any Material Adverse Effect.

3.19. **Transactions with Affiliates.** Except as disclosed in the Financial Statements or as described herein, neither Seller has been involved in any business arrangement or relationship with any Affiliate of Sellers, and no Affiliate of Sellers owns any property or right, tangible or intangible, relating to or that is used in the business of the Station.

3.20. **Broker.** Neither Sellers nor any Person acting on their behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

SECTION 4 **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers as follows:

4.1. **Organization, Standing, and Authority.** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Iowa and has the requisite corporate power and authority to execute, deliver, and perform this agreement and the documents contemplated hereby according to their respective terms and to own the Assets.

4.2. **Authorization and Binding Obligation.** The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

4.3. **Absence of Conflicting Agreements and Required Consents.** Subject to obtaining the Consents listed on Schedule 3.3, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party that has not been obtained; (b) will not conflict with the Certificate or Articles of Incorporation or Bylaws of Buyer; (c) will not conflict with, result in a breach of, constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound. Except for the FCC Consent provided for in Section 5.1, or such consents, approvals, permits or authorizations that have been obtained, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (i) to consummate this Agreement and the transactions contemplated hereby, or (ii) to permit Buyer to acquire the Assets from Sellers or to assume certain liabilities and obligations of Sellers in accordance with Section 2.5. (For purposes of the making of the representations and warranties in this Section as of the License Closing, the term "Assets" shall refer to the "License Assets.")

4.4. **Brokers.** Neither Buyer nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

4.5. **Qualifications of Buyer.** Except as disclosed in Schedule 4.5, Buyer is and, pending the License Closing, will remain legally, financially, and otherwise qualified under the Communications Act and all rules, regulations, and policies of the FCC to acquire and operate the Station. Except as disclosed in Schedule 4.5, there are no facts or proceedings which would reasonably be expected to disqualify Buyer under the Communications Act or otherwise from acquiring or operating the Station or would cause the FCC not to approve the assignment of the FCC Licenses to Buyer. Except as disclosed in Schedule 4.5, Buyer has no knowledge of any fact or circumstances relating to Buyer or any of Buyer's Affiliates that would reasonably be expected to (a) cause the filing of any objection to the assignment of the FCC License to Buyer, or (b) lead to a delay in the processing by the FCC of the applications for such assignment. Except as disclosed in Schedule 4.5, no waiver of any FCC rule or policy is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to Buyer, nor will processing pursuant to any exception or rule of general applicability be requested or required in connection with the consummation of the transactions herein; however, in the event such a

waiver is necessary, Buyer makes no representation or warranty that the FCC would grant such a waiver.

4.6. **Compliance with Laws.** Except (i) as set forth in Schedule 4.6 hereto, or (ii) for such other non-compliance matters that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement, on the License Closing Date Buyer shall be in compliance with all applicable federal, state and local laws, rules, and regulations and, to Buyer's knowledge, Buyer has received no written notice of any Action pending or threatened alleging non-compliance therewith.

4.7. **Claims and Legal Actions.** Except (i) for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Buyer, (ii) as set forth on Schedule 4.7 hereto, or (iii) for such other Actions that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement, on the License Closing Date there shall be no pending or, to Buyer's knowledge, threatened suit, claim, action, proceeding, or arbitration relating to the business or operations of the Buyer or which seeks to enjoin or obtain damages in respect to the transactions completed hereby. Buyer has received no Judgment against or affecting Buyer for the operation of its business except (i) for FCC and other governmental orders, decrees and actions which apply to the television broadcasting industry generally, (ii) as set forth on Schedule 4.7 hereto, or (iii) for such other Judgments that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability of Buyer to consummate the transactions contemplated by this Agreement.

SECTION 5 **SPECIAL COVENANTS AND AGREEMENTS**

5.1. **FCC Consent.**

(a) The purchase and sale of the License Assets as contemplated by this Agreement is subject to the receipt of the FCC Consent prior to the License Closing, including the grant of any waiver or determination of the FCC that may be necessary under rules and policies of the FCC in effect as of the date of the grant of such FCC Consent to permit Buyer to hold the FCC Licenses for the Station, together with the license for KCTV(TV), Kansas, City Missouri, without time limitation or any condition requiring the future divestiture of either station (the "Ownership Waiver"). Buyer and Sellers acknowledge that under rules and policies of the FCC in effect as of the date of this Agreement, the grant of an Ownership Waiver is required to obtain the FCC Consent for Buyer's purchase and sale of the License Assets.

(b) Buyer shall provide Sellers written notices regarding the financial and other information reasonably needed by Buyer to prepare a request for an Ownership Waiver as soon as practicable. Sellers shall use their commercially reasonable efforts to provide such requested information to Buyer no later than the later of fifteen (15) Business Days after the First Closing Date or ten (10) Business Days after Sellers' receipt of the last of such written notices. Sellers shall cooperate fully with Buyer in the preparation of the Ownership Waiver. Unless

Seller is notified in writing by Buyer that it requires additional time to consider the basis for the Ownership Waiver, within ten (10) Business Days after Buyer receives all such information from Sellers, Sellers and Buyer shall prepare and file with the FCC an appropriate application for FCC Consent (the “FCC Application”), which application shall include the Ownership Waiver.

(c) If the FCC Application is not submitted to the FCC as provided in Section 5.1(b), Buyer and Sellers agree to submit the FCC Application for FCC Consent within ten (10) Business Days after Sellers receive written notice from Buyer requesting that an appropriate FCC Application be prepared, which written notice will be promptly provided by Buyer upon receiving advice of its FCC counsel that it is more likely than not that such FCC Application would be approved. Such FCC Application may or may not include the Ownership Waiver, as Buyer may determine to be necessary or appropriate under the circumstances.

(d) Following the filing of the FCC Application, the parties shall prosecute the FCC Application with all reasonable diligence and otherwise use their respective reasonable best efforts to obtain a grant of the FCC Application as expeditiously as practicable. Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance, the existence of which does not constitute a breach by that party of any of its representations, warranties, or covenants hereunder, and (ii) compliance with the condition would have a material adverse effect upon it. Buyer and Sellers agree that any condition requiring the present or future divestiture of any rights of Buyer or the Sales Agent (as defined in the JSA) in the Station or KCTV shall constitute a condition materially adverse to Buyer and also a condition imposed as the result of a circumstance, the existence of which does not constitute a breach by Buyer of any of its representations, warranties, or covenants under this Agreement. Buyer and Sellers shall oppose any petitions to deny or other objections filed with respect to the FCC Application and any requests for reconsideration or judicial review of the FCC Consent.

(e) If the License Closing shall not have occurred for any reason within the original effective period of the FCC Consent and neither party shall have terminated this Agreement under Section 8, the parties shall jointly request one or more extensions of the effective period of the FCC Consent. No extension of the effective period of the FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 8.

(f) In the event the FCC Application is denied or dismissed by the FCC, Buyer agrees to resubmit its application for FCC Consent promptly upon receiving advice of its FCC counsel that it is more likely than not that such resubmitted application would be approved. In the event Buyer elects to seek reconsideration or judicial review of any such denial or dismissal, Sellers shall cooperate fully in the prosecution of such reconsideration or review.

5.2. **Covenants of Sellers.** Sellers covenant and agree from and after the execution and delivery of this Agreement to and including the License Closing Date, unless Buyer shall have otherwise given its prior written consent, as follows:

(a) **Commercially Reasonable Efforts.** Sellers will use their commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof.

(b) **Ordinary Course.** Subject to the provisions of the JSA, each Seller shall operate the Station and maintain the License Assets, including equipment relating to the transmission of a digital broadcast signal, in the ordinary course of business consistent with past practice, including maintaining appropriate insurance for the License Assets, and maintaining and repairing the Tangible Personal Property (with suitable replacements being obtained as necessary with respect thereto). Each Seller shall use commercially reasonable efforts to keep its organization intact, preserve and maintain the License Assets and the properties of the Station, preserve the business and goodwill of suppliers, customers, Governmental Authorities, and others dealing with such Seller. Neither Seller shall create, assume, consent to, or suffer to exist any Lien on any of the License Assets (other than Permitted Encumbrances). Each Sellers' financial books and records shall be maintained in accordance with generally accepted accounting principles, in the usual manner on a consistent basis with prior years.

(c) **Compliance with Laws.** Each Seller shall comply in all material respects with all Legal Requirements and Licenses applicable to such Seller, the Station, or the conduct of the business.

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

(e) **No Inconsistent Action.** Sellers shall take no action that is inconsistent with their obligations under this Agreement in any material respect or that could be reasonably expected to hinder or delay the consummation of the transactions contemplated by this Agreement. Sellers shall not (i) sell, transfer, lease, assign, or otherwise dispose of or distribute any of the License Assets except in the ordinary course of business with suitable replacements being obtained therefor; (ii) knowingly solicit, encourage, entertain, negotiate, or enter into any such transaction or agreement of the nature described in clause (i) above; or (iii) provide any non-public information about the Station to any third party except as required by applicable Legal Requirements.

(f) **Update of Sellers' Schedules.** Prior to the License Closing, Sellers shall provide an updated set of Schedules to Buyer to disclose any information of the nature of that set forth in the Schedules that relate to Sections 3.1, 3.3, 3.9, 3.11 and 3.15 and that arise after the date hereof and that would have been required to be included in the Schedules with respect to such License Assets if such information had existed on the date hereof; provided, however, that the foregoing list of Sections shall exclude Section 3.15 in the event that the License Closing shall occur following the first anniversary of the First Closing Date. Representations and Warranties of Sellers required to be made in connection with the License Closing shall be qualified by the additional disclosures in the updated Schedules only to the extent that, prior to the License Closing, Buyer shall state in writing that such additional disclosures are acceptable.

(g) **Contracts.** Each Seller shall comply in all material respects with the terms of the Contracts to which such Seller is a party. Sellers will not renew, extend, amend, terminate, or waive any material right under any Assumed Contract, or enter into any new Contract or incur any obligation (including obligations arising from the amendment of any existing Contract) that will be an Assumed Contract or be otherwise binding on Buyer after the License Closing, except for (i) production agreements made in the ordinary course of business consistent with Sellers' past practices; or (ii) other Contracts (excluding film and programming Contracts) entered into in the ordinary course of business consistent with Sellers' past practices that do not involve consideration under any one Contract in excess of Twenty-Five Thousand Dollars (\$25,000), and in the aggregate under all such Contracts, in excess of One Hundred Thousand Dollars (\$100,000), in each case measured at the License Closing (with in determining such consideration, Sellers' termination rights under each such Contracts being taken into consideration, together with any penalties or fees payable upon exercise of such termination rights).

(i) Prior to the License Closing License Seller may enter into such film and programming Contracts as it shall determine to be appropriate in fulfillment of its responsibility as the holder of the FCC Licenses; provided, however, that without Buyer's written consent, no such Contract shall comprise an Assumed Contract unless such Contract (w) is on such terms as are customary within the television industry and with the Station's past practice, (x) complies with the terms of the JSA, including with respect to the Policy Statement adopted pursuant thereto and the then applicable budget thereunder, (y) does not result in an increase in the Station's average cost of film and programming as projected for the years to which such film or programming Contract pertains, and (z) on an aggregate basis with all other film and programming Contracts obtained for subsequent years, is consistent with the film and programming budgets for such years, factoring in a 5% annual increase in film and programming costs for such years based on the then applicable budget. Sellers shall provide written notice to Buyer at least five (5) Business Days prior to their execution of any film or programming Contract unless such Contract is not intended to be an Assumed Contract.

(ii) Prior to the License Closing Date, Sellers shall deliver to Buyer a list of all Contracts entered into between the First Closing Date and the License Closing Date, and shall provide Buyer copies of such Contracts.

(h) **Copies of Notices regarding Contracts.** Sellers shall, as soon as practicable following receipt, provide Buyer a copy of any notices of default and other material notices or correspondence that either Seller receives from a third party with respect to any Material Contract. Each Seller shall provide Buyer written notice if any party to any Contract that shall comprise an Assumed Contract indicates in writing to such Seller the intention of such party (a) to terminate such Contract or amend the terms thereof in any material respect, (b) to refuse to renew the Contract upon expiration of its term, or (c) to renew the Contract upon expiration only on terms and conditions that are materially more onerous than those now existing. Furthermore, Sellers shall use their commercially reasonable efforts to obtain as soon as practicable following the First Closing WB's agreement (i) to send directly to Buyer written notice of the occurrence of any defaults under the Station's affiliation agreement with WB, and (ii) to permit Buyer the reasonable opportunity to cure any such default (subject to License

Seller's control as the Station licensee) or to work with Sellers to effect such cure, although Buyer shall not be under any obligation to effect such cure.

(i) **Licenses.** License Seller will not renew, extend, amend, terminate, or waive any material right under any License, except for renewals or extensions of such Licenses in the ordinary course of business on customary terms without any adverse amendment or modification. License Seller shall not take any action that shall cause (i) the License Seller not to be the authorized legal holder of the Licenses, or (ii) the FCC or any other Governmental Authority to revoke, refuse to renew or modify the FCC Licenses, or other authorizations of the Station. Prior to the License Closing Date, Sellers shall deliver to Buyer a list of all Licenses issued to either Seller or modified or renewed between the First Closing Date and the License Closing Date, and shall provide Buyer copies of such Licenses and any such modifications or renewals.

(j) **Reports.** License Seller shall (i) submit on a timely basis all material returns, reports and statements that as holder of the Licenses, License Seller is required to file with the FCC or Federal Aviation Administration, which returns, reports and statements shall to Sellers' knowledge satisfy all applicable legal requirements, and (ii) comply to Sellers' knowledge with all reporting requirements of the FCC and Federal Aviation Administration, including items required to be placed in the Station's public inspection file.

(k) **Notice of Legal Actions.** Each Seller shall give written notice to Buyer within five (5) Business Days of such Seller being notified in writing of the initiation of any Action against such Seller if such Action relates to the Assets or the business or operations of the Station, or seeks to enjoin or obtain damages in respect to the transactions completed hereby, excluding any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Sellers. Such notice shall provide reasonable details describing such Action.

(l) **Transactions with Affiliates.** Neither Seller shall enter into any Contract with any Affiliate of Sellers with respect to the business or operation of the Station or which shall be an LC Assumed Contract, and no Affiliate of Sellers shall own any property or right, tangible or intangible, that is used in the business or operations of the Station.

5.3. **Confidentiality.**

(a) Except as necessary for the consummation of the transaction contemplated by this Agreement and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement (unless such information is or thereafter becomes generally available to the public, is otherwise available to it on a non-confidential basis from another source, or has been developed independently by it). If this Agreement is terminated pursuant to its terms, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

(b) Sellers agree at all times during and after the term of the JSA, to hold in confidence and not to use, and to cause the FCC Employees to hold in confidence and not to use,

except (i) as and to the extent required by law, or (ii) for the benefit of the Station and Buyer as necessary in performing their duties at the Station, or to disclose to any Person without written authorization of Buyer, any Confidential Information of the Station or Buyer. “Confidential Information” means any Station or Buyer proprietary information, marketing and product plans, services, technical data, customer lists and customers, software, developments, processes, products, technology, designs, drawings, employee information, financial or other business information regarding the Station in either Seller’s possession or disclosed to either Seller or the FCC Employees by Buyer or its employees, either directly or indirectly, in writing or orally. Confidential Information excludes any of the foregoing items that have become publicly known and made generally available through no wrongful act of either Seller or any FCC Employee, or of others who, to Sellers’ knowledge, were under confidentiality obligations with respect to the item or items involved.

5.4. **Cooperation.** Buyer and Sellers shall reasonably cooperate with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement and in connection with any litigation after the First Closing Date which relates to the Station for periods prior to the Effective Time. Buyer and Sellers shall execute such other documents as may be reasonably necessary and desirable to the implementation and consummation of this Agreement and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations under this Agreement. Notwithstanding the foregoing, neither Buyer nor Sellers shall have any obligation (a) to expend funds to obtain any of the Consents, other than FCC Consents or as set forth in Section 5.9 hereof, or (b) to agree to any adverse change in any License or Assumed Contract in order to obtain a Consent required with respect thereto.

5.5. **Allocation of Purchase Price.** Buyer and Sellers shall retain the appraisal firm of Bond & Pecaro, Inc., or another mutually acceptable firm, to determine the allocation of the Purchase Price among the Assets for purposes of Section 1060 of the Code and Temporary Treasury Regulation Section 1.1060-1T, with Buyer and Sellers each paying one-half (1/2) of the fees for such valuation. No filings made by Buyer or either Seller with any taxing or other authority shall reflect an allocation other than in the manner established pursuant to the foregoing, and Buyer and Sellers shall each timely make all filings required by any taxing authority, including the filing of Internal Revenue Service Form 8594.

5.6. **Access to Books and Records.** To the extent reasonably requested by Buyer, Sellers shall provide Buyer access and the right to copy from and after the First Closing Date any books and records relating to the Assets, but not included in the Assets. To the extent reasonably requested by Sellers, Buyer shall provide Sellers access and the right to copy from and after the First Closing Date any books and records relating to the Assets that are included in the Assets.

5.7. **Employee Matters.**

(a) On the First Closing Date, Sellers shall terminate the employment of all Employees (as defined in Section 3.14(a)) except those designated by Sellers on Schedule 5.7, which designation shall include two (2) Employees at the Station who shall remain employed by Sellers to meet their FCC obligation until the License Closing Date (the “FCC Employees”) and

the general manager of the Station who shall remain employed by Sellers. On the First Closing Date, Buyer shall offer employment to each of the Employees, other than the Employees designated on Schedule 5.7. On the License Closing Date, Sellers shall terminate the employment of the FCC Employees and Buyer shall offer employment to each such FCC Employee. The Buyer's offers of employment will be at a comparable base pay, position, and place of employment as held by each such Employee immediately prior to the First Closing Date or License Closing Date, as applicable. Any such Employees who accept such offers of employment are referred to herein as the "Transferred Employees"). Buyer shall be responsible for paying severance benefits to any Transferred Employees whose employment with Buyer is terminated on or after the applicable closing (which shall be payable in accordance with the terms of Buyer's severance pay policy). Buyer also shall be responsible for paying severance benefits, if any, to any Employee who does not accept the offer of employment made by Buyer in accordance with the terms of this paragraph and who would be entitled to receive benefits under the terms of Sellers' severance pay practice, as disclosed in Schedule 3.14.

(b) Sellers shall pay, discharge, and be responsible for (i) all salary, wages and liabilities arising out of or relating to the employment of the Employees by Sellers, and (ii) any liabilities arising under the Benefit Plans or Benefit Arrangements, provided that Buyer shall pay, discharge and be responsible for (x) the vacation pay, personal leave pay, severance pay and COBRA obligations of Seller which have been assumed by Buyer in accordance with this Section 5.7, and (y) any liabilities arising out of or relating to the decision to terminate the Employees pursuant to Section 5.7(a) to effectuate the transaction contemplated by this Agreement, including, for example, any claim that the decision to terminate such Employees constituted a wrongful termination. Buyer shall pay, discharge, and be responsible for all salary, wages, and liabilities arising out of or relating to the employment or termination of employment of the Transferred Employees by Buyer.

(c) Buyer shall cause each Transferred Employee to be eligible to participate in the "employee welfare benefit plans" and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively) of Buyer in which similarly situated employees of Buyer are generally eligible to participate. In this connection:

(i) Each Transferred Employee and his or her spouse and dependents shall be eligible for immediate coverage under Buyer's group health plan (i.e., without regard to any waiting periods or length of service requirements that may otherwise apply) as of their date of hire with Buyer to the extent that such individual was participating in Sellers' group health plan immediately prior to becoming a Transferred Employee (or the spouse or dependent of a Transferred Employee), and Buyer's group health plan shall not apply any preexisting condition limitations with respect to such Transferred Employee (or his or her spouse and dependents) except to the extent such limitations applied to such individual under the Welfare Plans. In addition, Buyer shall ensure that each Transferred Employee receives credit under Buyer's group health plan for any deductibles or co-payments paid by such Transferred Employee (and his or her spouse and dependents) under the Welfare Plans for the plan year that includes the Transferred Employee's first day of employment with Buyer. For purposes of this clause (i), "group health plan" shall have the meaning set forth in Section 4980B(g)(2) of the Code.

(ii) Each Transferred Employee shall receive past service credit under Buyer's applicable vacation and sick leave practices, severance pay and other health and welfare benefit plans (excluding any retiree medical plans) and tax-qualified 401(k) plan (collectively, "Buyer's Applicable Plans"), except that Buyer is not obligated to offer a Transferred Employee any past service credit under its defined benefit retirement plan or its retiree medical plan. For this purpose, "past service credit" means credit under Buyer's Applicable Plans for any service with Sellers or their Affiliates (or any prior owner thereof) for eligibility, waiting period, vesting, benefit accrual, benefit differential and all other purposes as if such service had been service with Buyer, but only to the extent such service was credited by Sellers and their Affiliates for such purposes effective as of the First Closing Date or the License Closing Date, as applicable.

(iii) To the extent taken into account in determining prorations pursuant to Section 2.3 hereof, Buyer shall assume and discharge Sellers' liabilities for the payment of all unused vacation leave and personal leave accrued by Transferred Employees as of the First Closing Date or License Closing Date, as applicable, and to the extent any Transferred Employee asserts a claim against Sellers with respect to the payment of the accrued vacation leave and personal leave liability assumed by Buyer, then Buyer shall indemnify, defend, and hold harmless Sellers from and against any and all liability for the payment of such accrued vacation leave and personal leave.

(d) Buyer shall assume Sellers' obligation to provide "continuation coverage" as defined in Section 4980B of the Code and Section 601 et. seq. of ERISA ("COBRA") to each Employee to whom Buyer makes an offer of employment under the terms of Section 5.7(a) (and to any spouse or children of such Employee carried as dependents on such Employee's "group health plan" coverage from Sellers), regardless of whether or not such Employee accepts Buyer's offer of employment. Buyer shall hold Sellers and any entity required to be combined with the Sellers under Section 414 of the Code ("Sellers Affected Parties") harmless from and fully indemnify such Sellers Affected Parties against any costs, expenses, losses, damages and liabilities incurred or suffered by such Sellers Affected Parties directly or indirectly, including, but not limited to, reasonable attorneys fees and expenses, which arise as a result of any failure of Buyer on or after the First Closing Date or the License Closing Date, as applicable, to provide such COBRA benefits to such Employees (and their spouses and dependents). Except with respect to those "covered employees" and "qualified beneficiaries" identified in the first sentence of this Section 5.7(d), Sellers shall retain the obligation to provide "continuation coverage" under its "group health plan" to any other "covered employee" or "qualified beneficiary" related to the Station who experiences a "qualified event" under the terms of COBRA, whether the qualified event occurred prior to, on or after the transaction contemplated by this Agreement. The terms "group health plan," "qualified beneficiary," "covered employee" and "qualified event" shall have the meanings set forth in COBRA. Sellers shall hold Buyer and any entity required to be combined with the Buyer under Section 414 of the Code ("Buyer Affected Parties") harmless from and fully indemnify such Buyer Affected Parties against any costs, expenses, losses, damages and liabilities incurred or suffered by such Buyer Affected Parties directly or indirectly, including, but not limited to, reasonable attorneys fees and expenses, which arise as a result of any failure of Sellers to provide such COBRA benefits.

(e) As of (or, in Sellers' discretion, prior to) the First Closing Date or License Closing Date, as applicable, Sellers shall cause each Transferred Employee to become fully vested in his or her account balance under the Pension Plan (the "Sellers 401(k) Plan"). Seller shall furnish to the Buyer as soon as practicable on or prior to the First Closing Date (or License Closing Date, if applicable), but not later than the First Closing Date (or License Closing Date, if applicable), a list, calculated as of the First Closing Date (or License Closing Date, if applicable), of the amounts of compensation each Transferred Employee participating in the Sellers 401(k) Plan contributed to such plan (separately reporting any pre-tax and after-tax contributions) during the calendar year in which the First Closing Date (or License Closing Date, if applicable) occurs. To the extent permitted by law and the terms of the Sellers' 401(k) Plan, Sellers shall not require any Transferred Employee to accept a distribution (including a cash-out distribution) from the Sellers 401(k) Plan sooner than 90 days following the applicable closing date.

(f) Buyer acknowledges and agrees that Buyer's obligations pursuant to this Section 5.7 are in addition to, and not in limitation of, Buyer's obligation to assume the written employment contracts included in the Assumed Contracts.

(g) This Section 5.7 shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other Person, including, without limitation, any current, future, former or retired employee of the Sellers, Buyer or their respective Affiliates.

5.8. **Joint Sales Agreement.** The License Seller and Buyer agree to enter into a Joint Sales Agreement (the "JSA"), effective as of the First Closing Date, substantially in the form of Schedule 5.8 hereto, and providing Buyer with the right to sell advertising time and provide other non-programming services to the Station during the period between the First Closing and the License Closing.

5.9. **Consents.**

(a) Sellers shall use commercially reasonable efforts to obtain all necessary Consents required in connection with this Agreement and the transactions contemplated hereby, including any required Consents of any Governmental Authorities, with lawful jurisdiction over Sellers. Sellers shall make all filings with and give all notices to third parties that may be reasonably necessary of Sellers in order to consummate the transactions contemplated hereby. Except as expressly provided by this Agreement, neither Sellers nor Buyer shall be required to make any payments to persons or parties to the Contracts in order to obtain their Consents, except that Sellers agree to pay any administrative or application fees customarily payable to such persons or parties in connection with requests for their Consent, or costs or fees (including reimbursement of legal fees) expressly required by the terms of any such Contract. No such consent of a third party shall comprise an effective "Consent," as such term is used herein, if such consent shall effect any adverse change in the terms or conditions of the License or Assumed Contract to which such consent pertains unless Buyer shall give its consent (which shall not be unreasonably withheld) in writing to such change. Nothing in this Section 5.9 shall be construed to require any Consent as a condition to Closing, other than the Consents required by Section 6.3(e) of this Agreement.

(b) Regarding each Contract that Buyer shall request in writing to be a FC Assumed Contract on or following the date hereof, to the extent permitted by applicable Legal Requirements or by the terms of such Contract, without material breach of the terms thereof, Buyer shall receive the benefits of such Contract on and after the date of Buyer's request and shall be responsible for and timely perform all obligations under such Contract to the extent arising on and after such date. Sellers shall not assign any such Contract to Buyer unless and until the Consent from the third party to such Contract is actually received. In the event that Sellers are able to obtain such Consent, such Contract shall comprise a FC Assumed Contract hereunder and shall be assigned to and assumed by Buyer effective as of the date of the third party's Consent to the assignment thereof (or effective as of such other date agreed to with such third party). In the event that Sellers are unable to obtain a necessary Consent from a third party to the assignment of a FC Assumed Contract to Buyer within sixty (60) days following Buyer's request that such Contract be a FC Assumed Contract, Sellers shall so advise Buyer and such Contract shall comprise a Consent-Pending Contract hereunder. Buyer and Sellers shall cooperate with one another to provide to Buyer the benefits of such Consent-Pending Contract until such time of the actual assignment thereof by Sellers to Buyer following receipt of the necessary third-party Consent. If, at any time, Buyer is not able to receive substantially all of the material benefits under any Consent-Pending Contract, such Consent-Pending Contract shall be treated as a Contract not to be assumed by Buyer, and Sellers shall remain responsible for the obligations thereunder. If at any time any necessary third-party Consent shall be received by Sellers, such Consent-Pending Contract shall be assigned to and assumed by Buyer effective as of the date of the third party's Consent to the assignment thereof (or effective as of such other date agreed to with such third party).

(c) In the event that Sellers are unable to obtain on or prior to the License Closing Date a necessary Consent from a third party to the assignment of a LC Assumed Contract to Buyer, Sellers shall so advise Buyer and such Contract shall comprise a Consent-Pending Contract hereunder. Following the License Closing, to the extent permitted by applicable Legal Requirements or by the terms of each such Consent-Pending Contract without material breach of the terms thereof, Buyer shall receive the benefits of such Consent-Pending Contract on and after the License Closing Date and shall be responsible for and timely perform all obligations under such Consent-Pending Contract to the extent arising on and after the License Closing Date. Sellers shall not assign any such Consent-Pending Contract to Buyer unless and until the Consent from the third party to such Consent-Pending Contract is actually received. Buyer and Sellers shall cooperate with one another to provide to Buyer the benefits of such Consent-Pending Contract until such time of the actual assignment thereof by Sellers to Buyer following receipt of the necessary third-party Consent. If, at any time, Buyer is not able to receive substantially all of the material benefits under any Consent-Pending Contract, such Consent-Pending Contract shall be treated as a Contract not to be assumed by Buyer, and Sellers shall remain responsible for the obligations thereunder. If at any time after the License Closing Date any necessary third-party Consent shall be received by Sellers (other than with respect to a Consent-Pending Contract referred to in the immediately preceding sentence), such Consent-Pending Contract shall be assigned to and assumed by Buyer effective as of the date of the third party's Consent to the assignment thereof (or effective as of such other date agreed to with such third party).

(d) Sellers shall, at their expense, use commercially reasonable efforts to attempt to obtain any Consents of their landlords for the Station's current studio facilities and transmitter site that are necessary with respect to the Transferred Employees' provision of services and the ongoing operation of certain of the Non-License Assets at such locations pursuant to the terms of the JSA prior to the License Closing. In the event that Buyer shall determine that the Station's current studio facilities should be relocated, Sellers shall cooperate with Buyer, at Buyer's expense, in obtaining any consents that shall be requested by Buyer from the landlord for such facilities to assign the lease for such facilities, or to sublease such facilities, to third parties identified by Buyer.

5.10. **Lease Agreement.** The License Seller and Buyer agree to enter in a lease agreement (the "Lease"), effective as of the First Closing Date, substantially in the form of Schedule 5.10 hereto, and providing the License Seller with certain rights to use the Assets during the pendency of the JSA.

5.11. **No Control.** Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Sellers shall maintain actual (*de facto*) and legal (*de jure*) control over the Licenses and the Station until the License Closing. Specifically, Sellers shall retain responsibility for the operation of the business and the Station pending the License Closing, including responsibility for the operation of the business and the Station pending the License Closing, including responsibility for the following matters: access to and use of the facilities of and equipment owned by Sellers; control of the daily operation of the Station; creation and implementation of policy decisions; employment and supervision of their Employees; payment of financing obligations and expenses incurred in the operation of the Station prior to the Closing; and execution and approval of all applications prepared and filed before the FCC or any other Governmental Authority.

5.12. **Insurance.** Except to the extent that insurance is required under the terms of the JSA, in which case, the parties agree that comparable insurance is not required pursuant to this Section 5.12, Sellers shall (i) maintain in full force and effect with respect to events occurring during the period between the First Closing and the License Closing policies of insurance of the same type, character, and coverage of the policies currently carried with respect to the License Assets of the Station, (ii) submit and prosecute insurance claims in good faith against such insurance policies in the event of the occurrence of a loss or other covered event under the terms of such policies, and (iii) apply any proceeds received on such insurance policies, or remit such proceeds to Buyer to be applied for such purpose, to restore or replace the Tangible Personal Property to the extent such claims relate to damage thereto, or to reimburse the Station, Sellers and Buyer with respect to other expenses, losses, liabilities and damages sustained if such claims relate to matters other than damage to Tangible Personal Property. Sellers shall fulfill their obligations set forth in the preceding sentence with regard to events occurring during the period between the First Closing and the License Closing even though claims may be made by third parties against the Station, Sellers or Buyer, or proceeds may be received by Sellers from their insurance carriers, subsequent to the License Closing.

5.13. **Compliance with the JSA.** Sellers and Buyer shall comply in all material respects with the provisions of the JSA.

5.14 **Update of Buyer's Schedules.** Prior to the License Closing, Buyer shall provide an updated set of Schedules to Sellers to disclose any information with respect to Sections 4.6 and 4.7 that arise after the date hereof and that would have been required to be included in the Schedules for those Sections if such information had existed on the date hereof. Any Schedules of Buyer so updated shall be deemed to be made as of the License Closing Date and shall be qualified by the additional disclosures and updated Schedules only to the extent that, prior to the License Closing, Sellers shall state in writing that such additional disclosures are acceptable.

5.15 **SBG Guaranty.** By its execution hereof with respect to this Section 5.15, SBG irrevocably and unconditionally guarantees to Buyer the full, complete and timely performance by Sellers of any and all obligations of Sellers under this Agreement. This guaranty shall remain in full force and effect so long as Sellers shall have any obligations or liabilities hereunder. This guaranty shall be deemed a continuing guaranty and the waivers of SBG herein shall remain in full force and effect until the satisfaction in full of all of Sellers' obligations hereunder. If any default shall occur by either Seller in its performance or satisfaction of any of its obligations hereunder, then SBG will itself perform or satisfy, or cause to be performed or satisfied, such obligations immediately upon notice from Buyer specifying in summary form the default. This guaranty is an absolute, unconditional and continuing guaranty of payment and performance which shall remain in full force and effect without respect to future changes in conditions, including any change of law. SBG agrees that its obligations hereunder shall not be contingent upon the exercise or enforcement by Buyer of whatever remedies it may have against Sellers. To the maximum extent permitted by law, SBG hereby waives: (i) notice of acceptance hereof; (ii) notice of any adverse change in the financial condition of either Seller or of any other fact that might increase SBG's risk hereunder; and (iii) presentment, protest, demand, action or delinquency in respect of any of Sellers' obligations hereunder.

5.16 **Nonsolicitation Covenant.** SBG covenants and agrees, on behalf of itself and its Affiliates, including Sellers, as follows:

(a) For two (2) years following the date hereof, neither it nor any Affiliate will, without prior written consent of Buyer, directly or indirectly, for itself or on behalf of any other Person, hire or solicit any of Buyer's employees who at the time of solicitation is known by SBG or such Affiliate to be an employee of Buyer at the Station, or induce or attempt to induce through any form of direct communication any such employee to leave his or her employment with Buyer; *provided, however*, that this provision shall not prohibit SBG or any Affiliate from making a general, public solicitation or a general, industry-wide solicitation for employment, or from hiring any of Buyer's employees who respond to such a solicitation.

(b) In the event that SBG or any Affiliate commits a breach of any of the provisions of this Section 5.16, Buyer shall have the right and remedy to have the provisions of this Section 5.16 specifically enforced, without posting bond or other security to the extent permitted by law, by any court having jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause immediate irreparable injury to Buyer and that money damages will not provide an adequate remedy at law for any such breach or threatened

breach. Such right and remedy shall be in addition to, and not in lieu of, any other rights and remedies available to Buyer at law or in equity.

(c) In the event that despite the express agreement of SBG, on behalf of itself and its Affiliates, any provision of this Section 5.16 shall be determined by any court or other tribunal of competent jurisdiction to be unenforceable for any reason whatsoever, the parties agree that this Section 5.16 shall be interpreted to extend only during the maximum period of time for which it may be enforceable and/or to the maximum extent in any and all other respects as to which it may be enforceable, all as determined by such court or tribunal.

SECTION 6

CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER

6.1. **Conditions to Obligations of Buyer at the First Closing.** All obligations of Buyer at the First Closing hereunder are subject at Buyer's option to the fulfillment prior to or at the First Closing Date of each of the following conditions:

(a) **Obligations, Covenants and Agreements.** Sellers have performed and complied with all obligations, covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the First Closing Date, except where the failure to have performed and complied does not have a Material Adverse Effect.

(b) **Governmental Licenses.** The License Seller is the holder of all FCC Licenses. No proceedings are pending, the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any FCC License.

(c) **Legal Proceedings.** No injunction, restraining order, or decree of any nature of any court or governmental authority of competent jurisdiction is in effect that restrains or prohibits the transactions contemplated by this Agreement.

(d) **Deliveries.** Sellers have made or stand willing to make all the deliveries to Buyer described in Section 7.2.

6.2. **Conditions to Obligations of Sellers at the First Closing.** All obligations of Sellers at the First Closing hereunder are subject at Sellers' option to the fulfillment prior to or at the First Closing Date of each of the following conditions:

(a) **Obligations, Covenants and Agreements.** Buyer has performed and complied with all obligations, covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the First Closing Date.

(b) **Legal Proceedings.** No injunction, restraining order, or decree of any nature of any court or governmental authority of competent jurisdiction is in effect that restrains or prohibits the transactions contemplated by this Agreement.

(c) **Deliveries.** Buyer has made or stands willing to make all the deliveries described in Section 7.3.

6.3. **Conditions to Obligation of Buyer at the License Closing.** All obligations of Buyer at the License Closing hereunder are subject at Buyer's option to the fulfillment prior to or at the License Closing Date of each of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Sellers in Sections 3.1, 3.2, 3.3, 3.9, 3.11, 3.15 and 3.20 shall be true and complete (without any qualifications by materiality) at and as of the License Closing Date as though made at and as of that time (except for representations and warranties that speak as of a specific date or time which need only be true and complete as of such date or time), except where the failure to be true and complete would not reasonably be expected to have a Material Adverse Effect, or shall have been caused by Buyer's failure to fulfill its obligations under the JSA; provided, however, that the foregoing list of sections shall exclude Section 3.15 if the License Closing shall occur following the first anniversary of the First Closing Date.

(b) **Obligations, Covenants and Agreements.** Sellers shall have performed and complied with all obligations, covenants and agreements required by this Agreement to be performed or complied with by them prior to or on the License Closing Date, except where the failure to have performed and complied would not reasonably be expected to have a Material Adverse Effect, or shall have been caused by Buyer's failure to fulfill its obligations under the JSA.

(c) **FCC Consent.** The FCC Consent shall have become a Final Order and shall not contain any condition or qualification that requires Buyer to dispose of television station KCTV or is otherwise materially adverse to Buyer, except any condition or qualification that is imposed by reason of circumstances or actions constituting a material breach by Buyer of its representations, warranties or covenants hereunder. No action shall have been taken by the FCC or other Governmental Authority that is pending as of the License Closing Date with respect to the FCC Consent that makes illegal, restrains, or prohibits the consummation of the transactions contemplated hereby.

(d) **Governmental Licenses.** The License Seller shall be the holder of all FCC Licenses, and there shall not have been any material modification, revocation, or non-renewal of any material License. No proceeding shall be pending, the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any FCC License.

(e) **Required Consents.** The Consents for the Material Contracts shall have been obtained without any adverse change in the terms or conditions of each such Assumed Contract from those in effect under such Contract at such time that Buyer shall have agreed to assume such Contract.

(f) **Deliveries.** The Sellers shall have made or stands willing to make all deliveries to Buyer described in Section 7.4.

6.4. **Conditions to Obligations of Sellers at the License Closing.** All obligations of Sellers at the License Closing hereunder are subject at Sellers' option to the fulfillment prior to or at the License Closing Date of each of the following conditions:

(a) **Representations and Warranties.** All representations and warranties of Buyer in Sections 4.1, 4.2, 4.3, 4.4, 4.6 and 4.7 shall be true and complete in all material respects at and as of the License Closing Date as though made at and as of that time (except for representations and warranties that speak as of a specific date or time which need only be true and complete as of such date or time), except where the failure to be true and complete shall have been caused by either Seller's failure to fulfill its obligations under the JSA.

(b) **Obligations, Covenants and Agreements.** Buyer shall have performed and complied with in all material respects all obligations, covenants and agreements required by this Agreement to be performed and complied with by Buyer prior to or on the License Closing Date, except where the failure to perform or comply shall have been caused by either Seller's failure to fulfill its obligations under the JSA.

(c) **FCC Consent.** The FCC Consent shall have been obtained and shall not contain any condition or qualification that is materially adverse to Sellers, except any condition or qualification that is imposed by reason of circumstances or actions constituting a material breach by Sellers of their representations, warranties or covenants hereunder.

(d) **Deliveries.** Buyer shall have made or stands willing to make all the deliveries described in Section 7.5.

SECTION 7 **CLOSING AND CLOSING DELIVERIES**

7.1. Closings.

(a) **First Closing Date.** Except as otherwise agreed to by Buyer and Sellers, the First Closing shall take place at 10:00 a.m. on the date hereof.

(b) **License Closing Date.** Except as provided below in this Section 7.1 or as otherwise agreed to by Buyer and Sellers, the License Closing shall take place at 10:00 a.m. on a date to be set by Buyer on at least five (5) days' written notice to Sellers which shall not be earlier than the first Business Day after the FCC Consent shall have been issued or later than ten (10) Business Days after the FCC Consent shall have become a Final Order.

(c) **Postponement of Closing.**

(i) If any event occurs that prevents signal transmission by the Station in the normal and usual manner and Sellers cannot restore the normal and usual transmission before the date on which the License Closing would otherwise occur pursuant to this Section 7.1 and this Agreement has not been terminated under Section 8, the License Closing shall be postponed to such date as is necessary (but only until a date within the effective period of the

FCC Consent (as it may be extended pursuant to Section 5.1 (c)) to allow Sellers to restore the normal and usual transmission; provided, that the foregoing shall not apply to postpone the License Closing to the extent any such signal transmission is not caused by any action of the Sellers. If the License Closing is postponed pursuant to this paragraph, the date of the License Closing shall be mutually agreed to by Sellers and Buyer.

(ii) If there is in effect on the date on which the License Closing would otherwise occur pursuant to this Section 7.1 any judgment, decree, or order that would prevent or make unlawful the License Closing on that date, the License Closing shall be postponed until a date (but only within the effective period of the FCC Consent (as it may be extended pursuant to Section 5.1(c)), to be agreed upon by Buyer and Sellers, which such judgment, decree, or order no longer prevents or makes unlawful the License Closing. If the License Closing is postponed pursuant to this paragraph, the date of the License Closing shall be mutually agreed to by the Sellers and Buyer.

(d) **Closing Place.** Each of the First Closing and the License Closing shall be held at the offices of Thomas & Libowitz, 100 Light Street, Suite 1100, Baltimore, Maryland 21202, or any other place that is mutually agreed upon by Buyer and Sellers.

7.2. **Deliveries by Sellers at First Closing.** On the First Closing Date, Sellers shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) **Conveyancing Documents.** Duly executed bills of sale, motor vehicle titles, assignments, and other transfer documents that are sufficient to vest good and marketable title to the Assets, other than the License Assets and the Excluded Assets, in the name of Buyer, free and clear of all Liens, except for Permitted Encumbrances.

(b) **Officer's Certificate.** A certificate, dated as of the First Closing Date, executed on behalf of one of the Sellers by an officer of such Seller, certifying that Sellers have performed and complied with all of its obligations, covenants, and agreements in this Agreement to be performed and complied with on or prior to the First Closing Date, except to the extent that the failure to perform or comply with such covenants shall not have had a Material Adverse Effect.

(c) **Secretary's Certificate.** A certificate, dated as of the First Closing Date, executed by each Seller's Secretary: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by such Seller's Board of Directors and shareholders (if required), authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as attachments thereto, the Articles of Incorporation and Bylaws of Sellers.

(d) **Good Standing Certificates.** To the extent available from the applicable jurisdictions, certificates as to the formation and/or good standing of each Seller issued by the appropriate governmental authorities in the states of organization and each jurisdiction in which

such Seller is qualified to do business, each such certificate (if available) to be dated a date not more than a reasonable number of days prior to the First Closing Date.

(e) **Opinions of Counsel.** Opinion of Sellers' counsel dated as of the First Closing Date, substantially in the form of Schedule 7.2(e) hereto.

(f) **JSA.** The JSA, duly executed by Sellers.

(g) **Lease.** The Lease duly executed by Sellers.

7.3. **Deliveries by Buyer at First Closing.** On the First Closing Date, Buyer shall deliver to Sellers the following, in form and substance reasonably satisfactory to Sellers and their counsel:

(a) **Closing Payment.** The payment described in Section 2.4(a).

(b) **Officer's Certificate.** A certificate, dated as of the First Closing Date, executed on behalf of Buyer by an officer of Buyer, certifying that Buyer has in all material respects performed and complied with all of its obligations, covenants, and agreements in this Agreement to be performed and complied with on or prior to the First Closing Date.

(c) **Secretary's Certificate.** A certificate, dated as of the First Closing Date, executed by Buyer's Secretary: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's Board of Directors, authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as an attachment thereto, Buyer's Certificate of Incorporation.

(d) **Assumption Agreements.** Appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform, subject to receipt of any necessary third-party Consents, Sellers' obligations under the FC Assumed Contracts and to the extent provided in Section 2.5.

(e) **Good Standing Certificates.** To the extent available from the applicable jurisdictions, certificates as to the formation and/or good standing of Buyer issued by the appropriate governmental authorities in the states of organization and each jurisdiction in which Buyer needs to be qualified in order to operate the Station, each such certificate (if available) to be dated a date not more than a reasonable number of days prior to the First Closing Date.

(f) **Opinion of Counsel.** An opinion of Buyer's counsel dated as of the First Closing Date, substantially in the form of Schedule 7.3(f) hereto.

(g) **JSA.** The JSA duly executed by Buyer.

(h) **Lease.** The Lease duly executed by Buyer.

7.4. **Deliveries by Sellers at License Closing.** Prior to or on the License Closing Date, Sellers shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) **Conveyancing Documents.** Duly executed assignments and other transfer documents that are sufficient to vest good and marketable title to the License Assets in the name of Buyer, free and clear of all Liens and obligations except for Permitted Encumbrances.

(b) **Officer's Certificate.** A certificate, dated as of the License Closing Date, executed on behalf of one of the Sellers by an officer of such Seller, certifying: (i) that the representations and warranties of Sellers in Sections 3.1, 3.2, 3.3, 3.9, 3.11, 3.15 and 3.20, are true and complete (without any qualifications by materiality) at and as of the License Closing Date as though made at and as of that time (except for representations and warranties that speak as of a specific date or time which need only be true and complete as of such date or time); and (ii) that Sellers have performed and complied with all obligations, covenants and agreements required by this Agreement to be performed or complied with by them prior to or on the License Closing Date, except to the extent that the failure of such representations and warranties to be true and correct and the failure to perform or comply with such covenants shall not have had a Material Adverse Effect or shall have been caused by Buyer's failure to fulfill its obligations under the JSA; provided, however, that the foregoing list of sections shall exclude Section 3.15 if the License Closing shall occur following the first anniversary of the First Closing Date.

(c) **Secretary's Certificate.** A certificate, dated as of the License Closing Date, executed by each Seller's Secretary certifying that the resolutions, as attached to such certificate, were duly adopted by such Seller's Board of Directors and shareholders (if required), authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect.

(d) **Good Standing Certificates.** To the extent available from the applicable jurisdictions, certificates as to the formation and/or good standing of each Seller issued by the appropriate governmental authorities in the state of organization and each jurisdiction in which such Seller is qualified to do business, each such certificate (if available) to be dated a date not more than a reasonable number of days prior to the License Closing Date.

(e) **Opinions of Counsel.** Opinion of Sellers' counsel and communications counsel dated as of the License Closing Date, substantially in the form of Schedule 7.4(e) hereto.

(f) **Consents.** Execution copies of any instrument evidencing receipt of any Consent which has been received by Sellers.

7.5. **Deliveries by Buyer at License Closing.** Prior to or on the License Closing Date, Buyer shall deliver to Sellers the following, in form and substance reasonably satisfactory to Sellers and their counsel:

(a) **Closing Payment.** The payment described in Section 2.4(b).

(b) **Officer's Certificate.** A certificate, dated as of the License Closing Date, executed on behalf of Buyer by an officer of Buyer, certifying: (i) that the representations and warranties of Buyer in Sections 4.1, 4.2, 4.3, 4.4, 4.6 and 4.7 are true and complete in all material respects at and as of the License Closing Date as though made at and as of that time (except for representations and warranties that speak as of a specific date or time which need only be true and complete as of such date or time), and (ii) that Buyer shall have performed and complied with in all material respects all obligations, covenants and agreements required by this Agreement to be performed and complied with by Buyer prior to or on the License Closing Date, except to the extent that the failure of such representations and warranties to be true and correct and the failure to perform or comply with such covenants shall have been caused by either Seller's failure to fulfill its obligations under the JSA.

(c) **Secretary's Certificate.** A certificate, dated as of the License Closing Date, executed by Buyer's Secretary, certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's Board of Directors, authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect.

(d) **Assumption Agreements.** Appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Licenses and the LC Assumed Contracts.

(e) **Good Standing Certificates.** To the extent available from the applicable jurisdictions, certificates as to the formation and/or good standing of Buyer issued by the appropriate governmental authorities in the states of organization and each jurisdiction in which Buyer needs to be qualified in order to operate the Station, each such certificate (if available) to be dated a date not more than a reasonable number of days prior to the License Closing Date.

(f) **Opinion of Counsel.** An opinion of Buyer's counsel dated as of the License Closing Date substantially in the form of Schedule 7.5(f) hereto.

SECTION 8 **TERMINATION**

8.1. **Termination by Seller.** This Agreement may be terminated by Sellers and the purchase and sale of the Station abandoned if Sellers are not then in material default hereunder upon written notice to Buyer if the License Closing shall not have occurred on or prior to the fifth (5th) anniversary of the date hereof, provided, however, that on or prior to the fifth (5th) anniversary of the date hereof, Buyer may, at its option, extend such termination date to the tenth (10th) anniversary of the date hereof by paying or causing to be paid to the License Seller the amount of Three Million Three Hundred Fifty Thousand Dollars (\$3,350,000) by wire transfer of same-day funds pursuant to wire transfer instructions furnished by License Seller to Buyer (which instructions shall be provided by License Seller to Buyer in writing within two Business Days of Buyer's written notice to License Seller requesting such instructions).

8.2. **Termination by Buyer.** This Agreement may be terminated by Buyer and the purchase and sale of the Station abandoned if Buyer is not then in material default with respect to its obligations hereunder upon written notice to Sellers upon the occurrence of any of the following:

(a) **Failure to Obtain FCC Consent.** If the License Closing shall not have occurred on or prior to the fifth (5th) anniversary of the date hereof, subject to extension to the tenth (10th) anniversary of the date hereof pursuant to Section 8.1.

(b) **Sellers' Default.** If, following the First Closing, Sellers shall be in material default with respect to their obligations hereunder and such default shall not have been cured within thirty (30) days following written notice from Buyer of such default (or within such longer period as may reasonably be required to cure such default if not reasonably capable of being cured within such thirty (30) days and Sellers shall have diligently begun working to cure such default within such thirty (30) day period).

8.3. **Rights on Termination.** If this Agreement is terminated by Buyer in accordance with the provisions of Section 8.2 above, Buyer shall have all rights and remedies available at law or equity, including its rights to indemnification pursuant to Section 9 hereof and the remedy of specific performance described in Section 8.4 below. If this Agreement is terminated by Sellers in accordance with the provisions of Section 8.1 above, Sellers shall have all rights and remedies available at law or equity, including their rights to indemnification pursuant to Section 9 hereof.

8.4. **Specific Performance.** The parties recognize that if Sellers breach this Agreement and refuse to perform under the provisions of this Agreement, monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefor be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement. If any action is brought by Buyer to enforce this Agreement, Sellers shall waive the defense that there is an adequate remedy at law.

SECTION 9

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES

9.1. **Survival.** Without prejudice to representations and warranties in other agreements delivered hereunder, all representations and warranties of Buyer and Sellers herein shall be deemed continuing representations and warranties and shall survive the First Closing or the License Closing, as set forth below, and shall remain in full force and effect for the applicable survival period set forth below (or until the final resolution of any claim or dispute which is asserted in reasonably detailed writing prior to the expiration of such period):

	Representation and Warranties in Sections:	Made as of the following Closing:	Shall survive for the following period after the date of such Closing:
A	3 and 4 (excluding those in categories B and C)	First Closing	One (1) Year
B	3.16	First Closing	Two (2) Years
C	3.2, 3.9, 3.11, 4.2	First Closing	Applicable Statute of Limitations
D	3.1, 3.3, 3.15, 3.20, 4.1, 4.3, 4.4, 4.6, 4.7 (provided, 3.15 shall be excluded if the License Closing shall occur following the first anniversary of the First Closing)	License Closing	One (1) Year
E	3.2, 3.9, 3.11, 4.2	License Closing	Applicable Statute of Limitations

9.2. **Indemnification by Sellers.** After the First Closing, subject to Section 9.5, Sellers hereby agree to indemnify and hold Buyer harmless against and with respect to and shall reimburse Buyer for any and all losses, liabilities, costs, expenses, claims, or damages, including reasonable legal fees and expenses (collectively “Damages”), arising out of or resulting from:

- (a) any untrue representation, breach of warranty, or nonfulfillment of any covenant by Sellers contained in this Agreement or in any certificate, document, or instrument delivered by Buyer under this Agreement;
- (b) any obligations or liabilities of Sellers not assumed by Buyer pursuant to the terms of Section 2.5 hereof;
- (c) any failure of the parties to comply with the provisions of any bulk sales law applicable to the transfer of the Assets;
- (d) the operation or ownership of the Station and the Assets prior to the First Closing;
- (e) any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof or in enforcing this indemnity.

9.3. **Indemnification by Buyer.** After the First Closing, but subject to Section 9.5, Buyer hereby agrees to indemnify and hold Sellers harmless against and with respect to, and shall reimburse Sellers for any and all Damages arising out of or resulting from:

(a) any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyer contained in this Agreement or in any certificate, document, or instrument delivered to Sellers under this Agreement;

(b) any obligations or liabilities of Sellers assumed by Buyer pursuant to the terms of Section 2.5 hereof;

(c) the operation or ownership of the Station and the Assets after the License Closing;

(d) any violations of the so-called WARN Act resulting solely from Buyer's actions in connection with the transactions contemplated by this Agreement; and

(e) any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof or in enforcing this indemnity.

9.4. **Procedure for Indemnification.** The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant within five (5) business days after written notice of such action, suit, or proceeding was given to Claimant.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within the thirty (30) day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law or equity.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party, provided, however, that the Indemnifying Party may not assume control of the defense unless it affirms in writing its obligation to indemnify Claimant for any damages incurred by

Claimant with respect to such third-party claim. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. So long as the Indemnifying Party is defending in good faith any third-party claim, the Claimant shall not settle or compromise such claim. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, it shall be bound by the results obtained in good faith by the Claimant with respect to such claim.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) The indemnification rights provided in Section 9.2 and Section 9.3 shall extend to the members, partners, shareholders, officers, directors, employees, representatives, and affiliated entities of any Claimant; although for the purpose of the procedures set forth in this Section 9.4, any indemnification claims by such parties shall be made by and through the Claimant.

9.5. **Certain Limitations**. Notwithstanding anything in this Agreement to the contrary:

(a) Neither Sellers nor Buyer, as Indemnifying Party, shall be liable to the other party as Claimant with respect to any indemnification hereunder except to the extent that the aggregate amount of Damages of such party as Claimant exceeds One Hundred Thousand Dollars (\$100,000.00) (the "Threshold Amount") (and then only to the extent such Damages exceed the Threshold Amount); provided that all materiality qualifications in the representations and warranties of an Indemnifying Party with respect to which the other party as Claimant shall claim Damages shall be disregarded solely for purposes of determining the occurrence of an untrue representation or breach of warranty and the amount of Damages to be counted towards the Threshold Amount; and provided, further, that the foregoing shall not apply to any amounts owed in connection with the Purchase Price or the proration adjustment thereof.

(b) Sellers shall be liable to indemnify Buyer hereunder only for Damages up to an aggregate amount of Five Million Dollars (\$5,000,000.00); provided, however, that the foregoing limitation shall not apply but shall be replaced by a limitation in the aggregate amount of all payments that shall have been made by Buyer to Sellers pursuant to Sections 2.4 and 8.1, with respect to the aggregate amount of Damages for which Buyer shall be entitled to indemnity from Sellers pursuant to Section 9.2 arising out of or relating to any loss or impairment of the FCC Licenses.

(c) Subject to subsection (d) below, in no event shall a Claimant be entitled to indemnification from the Indemnifying Party for incidental, consequential, or punitive damages regardless of the theory of recovery. Each party hereto agrees to use reasonable efforts to mitigate any Damages which form the basis for any claim for indemnification hereunder.

(d) In the event that Buyer, as Indemnifying Party, shall be obligated to pay any Damages hereunder with respect to any indemnity claim by Sellers, as Claimant, and Buyer shall be obligated to pay or shall have paid a Performance Penalty pursuant to the JSA (and as defined therein) with respect to the events giving rise to such Damages, then the amount of such Damages payable by Buyer shall be reduced by and to the extent of the amount of the Performance Penalty paid to Sellers less any separate damages payable to Sellers with respect to such events pursuant to the JSA.

(e) Neither Buyer nor Sellers as Claimant shall be entitled to indemnity pursuant to Section 9.2 or 9.3, as the case may be, from the other party as Indemnifying Party with respect to such Indemnifying Party's breach of any of its representations, warranties, covenants or agreements contained herein to the extent that the inaccuracy of any such representation, or the breach of any such warranty, covenant or agreement is caused by any breach by or failure of Claimant or its employees or agents in performing or complying with Claimant's obligations, covenants and agreements set forth in the JSA.

SECTION 10 **MISCELLANEOUS**

10.1. Fees and Expenses.

(a) Buyer and Sellers shall each pay one-half (1/2) of (i) any fees charged by the FCC in connection with the filing of the application for FCC Consent contemplated by Section 5.1(a), and (ii) any filing fees, transfer taxes, document stamps, or other charges levied by any governmental entity on account of the transfer of the Assets from Sellers to Buyer; provided, however, that any fees charged by the FCC in the event Buyer resubmits its application as provided by Section 5.1(d) shall be Buyer's sole responsibility; and provided, further, that Sellers shall use its commercially reasonable efforts to attempt to obtain from the state tax authorities in Missouri and Kansas promptly after the date hereof (and thereafter to provide to Buyer) a certificate indicating that Sellers have no outstanding sales and use tax liability with respect to the consummation of the transactions contemplated hereby.

(b) Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Agreement, including all fees and expenses of counsel, accountants, agents and representatives, and each party shall be responsible for all fees or commissions payable to any finder, broker, advisor, or similar person retained by or on behalf of such party.

10.2. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing; (ii) sent by telecopy (with receipt personally confirmed by telephone), delivered by personal delivery, or sent by commercial delivery service or certified mail, return-receipt requested; (iii) deemed to have been given on the date telecopied with receipt confirmed, the date of personal delivery, or the date set forth in the records of the delivery service or on the return-receipt; and (iv) addressed as follows:

To Buyer: Meredith Corporation
1716 Locust Street
Des Moines, IA 50309-3203
Attn: John S. Zieser, Esquire, Vice President,
General Counsel & Secretary
Telecopy: (515) 284-3933
Telephone: (515) 284-2895

With a copy
(which shall
not constitute
notice) to: Dow, Lohnes & Albertson PLLC
1200 New Hampshire Avenue
Washington, DC 20036-6802
Attn: John R. Feore, Esquire
Telecopy: (202) 776-2222
Telephone: (202) 776-2000

To Sellers: KSMO, Inc. and KSMO Licensee, Inc.
c/o Sinclair Television Group
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attn: David D. Smith
Telecopy: (410) 568-1533
Telephone: (410) 568-1507

With a copy
(which shall
not constitute
notice) to: Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attn: General Counsel
Telecopy: (410) 568-1537
Telephone: (410) 568-1524

With a copy
(which shall
not constitute
notice) to: Steven A. Thomas, Esquire
Thomas & Libowitz, P.A.
100 Light Street, Suite 1100
Baltimore, Maryland 21202
Telecopy: (410) 752-2046
Telephone: (410) 752-2468

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 10.2.

10.3. **Benefit and Binding Effect.** No party hereto may assign this Agreement without the prior written consent of the other parties hereto; provided, such consent shall not be required in the event Buyer desires to assign its rights hereunder to a wholly-owned subsidiary of Buyer, or solely with respect to the acquisition of the License Assets, to any other Person; provided further, Buyer may, without the consent of Sellers, collaterally assign its rights hereunder to its lenders; provided finally, no such assignment to any subsidiary, other Person or lender shall

relieve Buyer of any of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10.4. **Further Assurances.** The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

10.5. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

10.6. **Entire Agreement.** This Agreement, the Schedules hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto collectively represent the entire understanding and agreement between Buyer and Sellers with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

10.7. **Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver of failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of or estoppel with respect to any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 10.7.

10.8. **Counterparts.** This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

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

**[REST OF PAGE LEFT INTENTIONALLY BLANK
-- SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyer and Sellers as of the date first written above.

WITNESS/ATTEST:

KSMO, INC.

By: _____ (SEAL)

Name: _____

Title: _____

KSMO LICENSEE, INC.

By: _____ (SEAL)

Name: _____

Title: _____

MEREDITH CORPORATION

By: _____ (SEAL)

Name: _____

Title: _____

Joinder as a Party with respect to Sections 5.15 and 5.16:

SINCLAIR BROADCAST GROUP, INC.

By: _____ (SEAL)

Name: _____

Title: _____