

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “Agreement”) is dated July 7, 2011, by and between SAGAMOREHILL BROADCASTING OF ALABAMA, LLC, a Delaware limited liability company (“Seller”), SAGAMOREHILL BROADCASTING, LLC, a Delaware limited liability company (“Guarantor”), and ALABAMA TELECASTERS, INC., an Alabama corporation (“Buyer”). Buyer and Seller are sometimes referred to herein as the “Parties” and each as a “Party.”

### RECITALS:

A. Seller is the licensee of and operates broadcast television station WBMM (DT), Tuskegee, Alabama (Facility ID #68427) (the “Station”), pursuant to authorizations and approvals issued by the Federal Communications Commission (“FCC”).

B. Seller desires to sell, and Buyer wishes to buy, substantially all of the assets that are used or useful in the operations of the Station, for the price and on the terms and conditions set forth herein.

### AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

#### SECTION 1: DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

“Action” means, for any Person, any action, counterclaim, suit, litigation, arbitration, governmental investigation or other legal, administrative or Tax proceeding, or Judgment, claim, or complaint by or against such Person, excluding any litigation affecting the television broadcasting industry generally in which such Person is not a named party, and any rule-making proceedings.

“Affiliate” of a Person means any Person, which directly or indirectly controls, is controlled by or is under common control with, such Person. The term “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Assets” means all assets, properties and rights, both tangible and intangible, real, personal or mixed that are (i) owned, leased or held by Seller or any of its Affiliates and which are used or held for use in the operation of the Station, and/or (ii) necessary to operate the Business of the Station in a manner consistent with their present operations and with past

practices, including the Real Property, Equipment, Licenses, Assumed Contracts, Intellectual Property, Books and Records, choses in action relating to the Stations, Trade Agreements and goodwill relating to the Station, plus additions thereto between the date hereof and the Closing Date; *provided, however*, that the Assets shall not include the Excluded Assets.

“Assignment Application” means the application prepared jointly by Buyer and Seller and filed by Buyer with the FCC relating to the assignment of the FCC Licenses by Seller to Buyer in the manner contemplated by this Agreement.

“Assumed Contracts” means (i) all Contracts listed in Schedule 3.8, (ii) Contracts with advertisers for the sale of advertising time on the Station in the ordinary course of business for cash at prevailing rates consistent with past practices and that may be cancelled by Seller without penalty on not more than thirty days’ notice, and (iii) any Contracts entered into by Seller between the date of this Agreement and the Closing Date in compliance with Section 5.1(f) that relate to the business and operations of the Stations or that Buyer agrees in writing to assume.

“Books and Records” means all of the books and records of Seller related to the Business (other than any included in the Excluded Assets).

“Business” means the business and operations of Seller relating to the Station.

“Business Day” means any day of the year on which banks are not required or authorized to be closed in the State of Alabama.

“Closing” means the consummation of the assignment, transfer, conveyance and delivery of the Assets and the Purchase Price as contemplated hereunder.

“Closing Date” means the actual date of Closing, which, subject to the terms and conditions of this Agreement, shall occur on a date to be set by Buyer by written notice to Seller, which date shall not be later than five (5) Business Days after the FCC Consent shall have become a Final Order; provided, that Buyer, at its sole option, may by written notice to Seller elect to set the date of Closing within five (5) Business Days after receipt of the FCC Consent.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consents” means the consents, permits or approvals of, notices to, or filings with, any Governmental Authorities and other third parties required to transfer the Assets to Buyer or otherwise to consummate the transactions contemplated hereby.

“Contracts” means the leases, contracts, commitments, understandings and agreements relating to the Station to which the Seller is a party, whether oral or written.

“Employees” means the persons employed by Seller on a full or part-time basis with respect to the Business.

“Employee Plan” means (i) any “employee benefit plan” (as defined in Section 3(3) of ERISA), and (ii) any other plan, program, arrangement, agreement or policy, whether written or unwritten, which provides compensation or other benefits, whether deferred or not, in excess of

base salary or wages other than overtime pay, including, but not limited to, any bonus or incentive plan, equity-based compensation plan, severance pay plan, paid leave policy, insurance plan, change-in-control or other material fringe benefit plan which, in the case of each of clauses (i) or (ii), is sponsored, maintained, participated in or contributed to by the Seller or an ERISA Affiliate, or under which the Seller or an ERISA Affiliate has, or could have, any liability with respect to any current or former employee, officer, director or independent contractor of Seller or an ERISA Affiliate.

“Enforceability Exceptions” means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally, and by the application of general principles of equity.

“Environmental Law” means the Legal Requirements relating to health, safety or the environment, including the Handling of Hazardous Substances, the presence of Hazardous Substances on any Real Property, or any antipollution requirements.

“Equipment” means the television studio and transmitter site equipment, furniture, fixtures, furnishings, machinery, computer hardware, antennas, transmitters and other personal property used or held for use by Seller in the operation of the Station, plus additions thereto between the date hereof and the Closing Date.

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

“ERISA Affiliate” means any Person that is or has at any relevant time been treated as a single employer with the Seller under Sections 414(b), (c), (m) or (o) of the Code, or any Person that is or has at any relevant time been “under common control” with the Seller within the meaning of Section 4001(b) of ERISA.

“Excluded Assets” means (i) all cash and cash equivalents of Seller, (ii) all Receivables, (iii) all bonds, letters of credit, surety instruments and other similar items, (iv) books and records pertaining to Seller’s corporate organization, (v) all Employee Plans, (vi) all Contracts that are listed on Schedule 1.1(a) and any other Contract that is not an Assumed Contract, and (vii) any such additional assets as are set forth in Schedule 1.1(a) hereto.

“FCC” means the Federal Communications Commission.

“FCC Consent” means one or more actions by the FCC granting its consent to the assignment of the FCC Licenses by Seller to Buyer as contemplated by this Agreement.

“FCC Licenses” means the Licenses issued or granted by the FCC to Seller relating to the operation of the Station, all as set forth on Schedule 3.7.

“Final Order” means the FCC Consent that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such request and the time for the FCC to set aside the action on its own motion have expired.

“GAAP” means United States generally accepted accounting principles as currently in effect.

“Governmental Authority” means any court or any federal, state, county, local or foreign governmental, legislative or regulatory body, agency, department, authority, instrumentality or other subdivision thereof, including the FCC.

“Handling” means the production, use, generation, storage, treatment, recycling, disposal, discharge, release or other handling or disposition of any kind of any Hazardous Substances.

“Hazardous Substance” means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste or any pollutant that is labeled or regulated as such by any Governmental Authority pursuant to an Environmental Law.

“Indebtedness” means, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid (other than trade payables incurred in the ordinary course of business consistent with past practices), (d) all obligations of such Person under conditional sale or other title retention agreements relating to any property purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding obligations of such Person to creditors for raw materials, inventory, services and supplies incurred in the ordinary course of business consistent with past practices), (f) all lease obligations of such Person that are (or that should be in accordance with GAAP) capitalized on the books and records of such Person, (g) all obligations of others secured by a Lien on property or assets owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (h) all obligations of such Person under interest rate, currency or commodity derivatives or hedging transactions, (i) all letters of credit or performance bonds issued for the account of such Person and (j) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness of any other Person.

“Intellectual Property” means all trademarks, service marks, trade names, copyrights, licenses and other intellectual property rights of Seller that are used in connection with the Station, plus additions thereto between the date hereof and the Closing Date.

“Judgment” means any judgment, writ, order, injunction, determination, award or decree of or by any court, judge, justice or magistrate, including any bankruptcy court or judge, and any order of or by a Governmental Authority.

“knowledge” or “to the knowledge” of a Party (or similar phrases) means actual knowledge of a fact, or constructive knowledge if a reasonably prudent person in a like position would have known, or should have known, the fact.

“Legal Requirement” means any statute, ordinance, code, law, rule, regulation, permit or permit condition, Judgment, or other requirement, standard or procedure enacted, adopted or applied by any Governmental Authority.

“Liabilities” means debts, claims, obligations, commitments or liabilities of a Person of any kind or nature whatsoever, absolute, accrued, contingent or otherwise, whether known or unknown, asserted or unasserted, choate or inchoate, matured or unmatured, liquidated or unliquidated, or secured or unsecured.

“Licenses” means the licenses, permits, franchises, registrations, authorizations, consents or approvals issued by the FCC or any other Governmental Authority to Seller relating to the operation of the Station plus additions thereto between the date hereof and the Closing Date.

“Lien” means any lien, pledge, charge, easement, security interest, mortgage, deed of trust, right-of-way or other encumbrance.

“Material Adverse Effect” means any event, circumstance or condition that, individually or when aggregated with all other similar events, circumstances or conditions (regardless of whether or not any such event, circumstance or condition constitutes a breach of the representations, warranties or covenants made by Seller in this Agreement), would reasonably be expected to have a material adverse effect on: (i) with respect to Seller, the assets, liabilities, properties, operations, condition (financial or otherwise) or results of operations of the Business or the Station, or the ability of Seller to consummate the transactions contemplated by this Agreement, and (ii) with respect to Buyer, the ability of Buyer to consummate the transactions contemplated by this Agreement; *provided, however*, that Material Adverse Effect shall not include any effect to the extent arising out of or resulting from (u) any adverse change in the financial condition, assets, properties, business, or results of operation of the Station for which Buyer is responsible under the terms of the TSA-SSA, (v) any fact or circumstance that occurs after the effective date of the TSA-SSA as a result of any action by Buyer or failure by Buyer to act when under a duty to act in accordance with the terms of the TSA-SSA, (w) the transactions contemplated by this Agreement or the ability of Buyer to finance such transactions, (x) general economic, financial, competitive or market conditions, (y) changes affecting the television broadcasting industry generally, or (z) new or changed legislation, rules or regulations.

“Permitted Liens” means the following: (i) liens for current taxes, assessments and governmental charges not yet due and payable (or being contested in good faith); (ii) liens that will be released prior to or at Closing; (iii) “standard” title insurance exceptions and utility easements and right-of-ways or similar items which do not have a material impact on the value of the property and which may appear on a title commitment ordered by Buyer from a nationally recognized title insurance company; and (iv) statutory landlord liens.

“Person” means any person or entity, whether an individual, trustee, corporation, general partnership, limited partnership, trust, unincorporated organization, business association, firm, joint venture or Governmental Authority.

“Real Property” means all of the fee estates and buildings and other improvements thereon, leasehold interests, easements, licenses, rights to access, rights-of-way, and other real property interests which are used or held for use by Seller in the Business or operations of the Station, plus such additions thereto between the date hereof and the Closing Date.

“Receivables” means all promissory notes or other similar obligations payable to Seller, and all accounts receivable and other receivables of Seller relating to or arising out of the operation of the Station prior to the Closing Date (subject to the TSA-SSA) excluding any receivables under the Station’s Trade Agreements.

“SSA” means that certain shared services agreement, dated as of the date hereof, by and between Buyer and Seller.

“Tax” or “Taxes” means any taxes, charges, fees, levies or other assessments, including income, excise, use, transfer, payroll, occupancy, property, sales, franchise, unemployment and withholding taxes, penalties and interest imposed by the United States or any state, county, local or foreign government or subdivision or agency thereof.

“Trade Agreements” means all trade, barter and similar agreements for the sale of advertising time on the Station for consideration other than cash.

“Transaction Documents” shall mean this Agreement, the Earnout Agreement, the TSA-SSA, the WNCF Agreements and the other documents, agreements, certificates and instruments to be executed, delivered and performed in connection with the transactions contemplated by this Agreement.

“TSA” means that certain agreement for the sale of commercial time, dated as of the date hereof, by and between Buyer and Seller.

“TSA-SSA” means the TSA and SSA.

“WARN” means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 201 et seq., as amended.

“WNCF Agreements” means collectively: (a) that certain agreement for the sale of commercial time, dated as of the date hereof, by and between Channel 32 Montgomery LLC and Buyer, (b) that certain shared services agreement, dated as of the date hereof, by and between Channel 32 Montgomery LLC and Buyer, (c) that certain put and call option agreement, dated as of the date hereof, by and between Channel 32 Montgomery LLC and Buyer, (d) that certain equipment lease agreement, dated as of the date hereof, by and between Channel 32 Montgomery LLC and Buyer, and (e) that certain studio lease agreement, dated as of the date hereof, by and between Channel 32 Montgomery LLC and Buyer.

1.2 [Terms Defined Elsewhere in this Agreement](#). In addition to (i) the defined terms in the preamble, recitals and [Section 1.1](#) hereof, or (ii) certain defined terms used solely within a single section hereof, the following is a list of terms used in this Agreement and a reference to the section hereof in which such term is defined:

<u>Term</u>	<u>Section</u>
Adjustments	2.3(b)
Assumed Liabilities	2.4
Auditor	2.3(d)
Buyer Indemnified Party	10.2
Claimant	10.4
Claim Notice	10.4
Closing Cash Payment	2.2
Discovery Period	2.3(d)
Earnout Agreement	2.5
Earnout Amount	2.5
Escrow Agent	2.6
Escrow Agreement	2.6
Escrow Amount	2.2
Excluded Representations	10.1
Indemnity Escrow	2.6
Indemnity Period	10.1
Indemnitor	10.4
Initial Payment	2.2
Losses	10.2
Non-Assumed Liabilities	2.4
Purchase Price	2.2
Replacement Contracts	6.13
Seller Indemnified Party	10.3
WNCF	3.11
Trade Adjustment Amount	2.3(a)(1)

1.3 [Clarifications](#). Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word “including” is not limiting, and the word “or” is both conjunctive and disjunctive. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a section, schedule, or exhibit is a reference to a section of this Agreement or a schedule or exhibit hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the schedules to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

## SECTION 2: [PURCHASE OF ASSETS](#)

2.1 [Agreement to Sell and Buy](#). Subject to the terms and upon satisfaction of the conditions contained in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Buyer all of Seller’s right, title and interest in and to the Assets (other than the Excluded Assets), and Buyer shall purchase, acquire and accept from Seller all of Seller’s right, title and interest in and to the Assets, free and clear of all Liens other than Permitted Liens.

## 2.2 Purchase Price.

(a) The purchase price for the Assets (the “Purchase Price”) shall be (a) Three Million Five Hundred Thousand Dollars (\$3,500,000) (the “Initial Payment”), as adjusted preliminarily as of Closing and finalized subsequent to Closing pursuant to Section 2.3; plus (b) the execution and delivery of the Earnout Agreement and payment to Seller of the applicable Earnout Amount (if any) on the terms and conditions set forth therein. The amount that shall be payable to Seller on the Closing Date (the “Closing Cash Payment”) shall be the Initial Payment, as adjusted preliminarily as of the Closing pursuant to Section 2.3, less One Hundred Thousand Dollars (\$100,000) (the “Escrow Amount”), which Closing Cash Payment shall be paid by Buyer at the Closing by wire transfer of immediately available funds in U.S. dollars to Seller and to an account thereof designated in writing by Seller.

(b) Seller hereby consents and directs Buyer to disburse One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) of the Closing Cash Payment, and such amount shall be disbursed, to MCG Capital Corporation (“MCG”) pursuant to the following wire instructions:

Bank:	PNC Bank (Washington, D.C.)
ABA:	031-000-053
Account No.:	5300778407
Account Name:	MCG Capital Corporation
Reference:	SagamoreHill Credit Facility

The parties to this Agreement covenant that this provision may not be modified without the advance written consent of MCG and that MCG is an intended third-party beneficiary under this Agreement solely with respect to this Section 2.2(b).

## 2.3 Adjustments and Prorations.

(a) Subject to the terms of the TSA-SSA, all revenues and all expenses arising from the Business prior to the Closing Date, including tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees (including program license payments), sales and service charges, Taxes (except for Taxes arising from the transfer of the Assets hereunder), annual regulatory fees, amounts owing in respect of unlicensed software, music license fees and similar prepaid and deferred items, shall be prorated between Seller and Buyer in accordance with GAAP and the general principle that subject to the terms of the TSA-SSA, Seller shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Station for the period prior to the Closing Date, and Buyer shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Station on or after the Closing Date; *subject, however*, to the following, in addition to the terms of the TSA-SSA:



(1) An adjustment and proration shall be made in favor of Buyer or Seller, as applicable, for the amount, if any, by which the fair market value of the goods or services to be received by the Station under its Trade Agreements as of the Closing Date exceeds, or is less than, the value of any advertising time remaining to be run by the Station as of the Closing Date (the “Trade Adjustment Amount”); provided however that unless the positive or negative Trade Adjustment Amount exceeds Fifteen Thousand Dollars (\$15,000), then no adjustment shall be made.

(2) Subject to the TSA-SSA, Seller shall be entitled to all revenue and bear all expenses and Liabilities related to the Excluded Assets.

(3) Subject to the TSA-SSA, Buyer shall receive a credit for any prepaid revenues recovered by Seller prior to the Closing Date, and Seller shall receive a credit for all of the Station’s deposits and prepaid expenses outstanding as of the Closing Date.

(4) Buyer shall receive an adjustment in its favor for any 2011 accrued, but unused vacation that it provides credit for pursuant to Section 6.3(d).

(b) Seller shall prepare and submit to Buyer, not later than three (3) Business Days prior to the Closing Date, a written good faith estimate of the adjustments and prorations set forth in subsection (a) above (the “Adjustments”) in accordance with this Section 2.3, along with Seller’s estimate of the Closing Cash Payment. After delivery of such estimates to Buyer, Buyer shall promptly inform Seller of any disputes Buyer has with such amounts, together with any reasonable backup documentation to support Buyer’s calculations, and Buyer and Seller shall in good faith attempt to resolve any disputes between them with respect to the determination of the Closing Cash Payment. If as of Closing any items shall be in dispute between the Parties with respect to the Closing Cash Payment, Buyer shall provide Seller with Buyer’s good faith estimate of the Closing Cash Payment and the average between Seller’s estimated Closing Cash Payment and Buyer’s estimated Closing Cash Payment shall be the Closing Cash Payment payable by Buyer on the Closing Date.

(c) Except as provided in Section 2.3(d), a final settlement of all Adjustments made under this Section and any corresponding modifications to the Closing Cash Payment, with payment being made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars to an account designated by the Party entitled to receive such payment, shall occur no later than ninety (90) days after the Closing Date. Buyer shall provide to Seller, and Seller shall provide to Buyer, any documentation reasonably requested by the other Party to determine the appropriateness of any Adjustment claimed by either Party.

(d) In the event that the Parties cannot agree on the amount of the final Adjustments, the determination shall be made by a mutually agreed national or regional accounting firm (the “Auditor”). The Auditor shall make the determination based on GAAP in effect on the Closing Date. Either Party may invoke the use of the Auditor by notifying the other Party in writing, *provided* that neither Party may invoke the use of the Auditor to determine the final Adjustments earlier than ninety (90) days after the Closing

Date. In the event that either Party invokes the use of the Auditor, there shall be a thirty (30) day period (the “Discovery Period”) when the Parties may request of and shall provide to each other in writing or computer format where appropriate any documentation or records in the possession of the other Party that are related to a claim or defense to be made to the Auditor. Fifteen (15) Business Days after the expiration of the Discovery Period, the Parties shall have the opportunity to present their claims and supporting documentation to the Auditor. The Auditor shall be required to render a decision within fifteen (15) Business Days after each Party shall have presented (or have foregone the opportunity to present) its claims and supporting documentation to the Auditor. The decision of the Auditor shall be final and binding on the Parties and shall not be subject to any judicial challenge by either Party. Within five (5) Business Days after the Auditor provides the determination to the Parties, payment in accordance with that determination shall be made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment. The expenses of the Auditor shall be paid by the Party which, based on the Auditor’s resolution of the disputed item(s), is not the substantially prevailing Party.

2.4 Assumed Liabilities. At and after the Closing, Buyer shall assume and timely pay, discharge and perform all Liabilities arising solely out of or relating solely to Buyer’s ownership of the Assets or operation of the Station on or after the Closing Date, including all Liabilities attributable solely to periods on or after the Closing Date under or with respect to the Licenses and the Assumed Contracts and are not otherwise attributable to any breach, default or other action of Seller (collectively, the “Assumed Liabilities”). All Liabilities that are not Assumed Liabilities are collectively referred to herein as “Non-Assumed Liabilities” and shall remain and be the obligations and liabilities solely of Seller, including (i) any Liabilities under or relating to any Contract not included in the Assumed Contracts, (ii) any Liabilities under the Assumed Contracts relating to the period prior to the Closing Date, (iii) any claims or pending litigation or proceedings relating to the operation by Seller of the Station prior to Closing, (iv) any Liabilities arising under or relating to capitalized leases or other financing agreements which is not an Assumed Contract, (v) any Liabilities under or relating to any Employee Plan, (vi) any Liability related to any current or former employees, directors, officers and independent contractors of the Station, including, but not limited to, severance benefits (including any such benefits arising in connection with the consummation of the Closing), wages, vacation time, sick leave, or workers’ compensation claims arising or accrued on or prior to the Closing, other than the Liability expressly assumed by Buyer pursuant to Section 6.3(d), (vii) any Liabilities which arise out of, result from or relate to any of the Excluded Assets or (viii) any Liabilities caused by, arising out of, or resulting from any action or omission of Seller prior to the Closing. The foregoing provisions of this Section 2.4 shall be subject to the terms of the TSA-SSA with respect to the payment, discharge and performance of all Liabilities that arise with respect to the operation of the Station during the period between the effective date of the TSA-SSA and the Closing Date.

2.5 Earnout. At the Closing, Buyer and the Seller shall execute and deliver the Earnout Agreement in the form attached hereto as Exhibit A (the “Earnout Agreement” and any amounts paid to the Seller pursuant to such Earnout Agreement, the “Earnout Amount”). Notwithstanding anything to the contrary contained in this Agreement or any

of the other Transaction Documents, the indemnification obligations of the Seller to the Buyer under this Agreement and the other Transaction Documents or reimbursement obligations of the Seller to the Buyer under Section 6.10 of this Agreement, in each case, may be satisfied, at the election of the Buyer, by set-off by the Buyer against, and deduction from, up to Two Hundred Thousand Dollars (\$200,000) of the Earnout Amount; provided that any such claim shall still be subject to the procedural requirements and other limitations set forth in Section 10.

2.6 Indemnity Escrow. At the Closing, Buyer will deposit with Capital One, N.A. (the “Escrow Agent”), as escrow agent pursuant to an escrow agreement substantially in the form of Exhibit B (the “Escrow Agreement”) the Escrow Amount in cash (the “Indemnity Escrow”). The Escrow Agent will hold the Indemnity Escrow to be distributed upon receipt of joint written instructions from Buyer and Seller, with the final disbursement to Seller of all amounts remaining in the escrow account, which are not otherwise subject to an outstanding Claim Notice from Buyer, occurring no later than one day after the 1<sup>st</sup> anniversary of the Closing Date. The Indemnity Escrow will serve as a source of payment of any indemnification obligations of Seller pursuant to Section 10; provided that any such claim shall still be subject to the procedural requirements and other limitations set forth in Section 10.

2.7 TSA-SSA. Simultaneous with the execution of this Agreement, Buyer and Seller are entering into the TSA-SSA pursuant to which, among other things, and subject to the terms and conditions of the TSA-SSA, Buyer will provide certain programming for, and be entitled to receive the revenues from the sale of advertising time with respect to such programming on, the Stations, and to otherwise receive other certain payments on the terms thereof.

### SECTION 3: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware and is in good standing under the laws of the State of Alabama. Seller has all requisite limited liability company power and authority (i) to execute, deliver and perform this Agreement and the Transaction Documents (to the extent a party thereto) and to consummate the transactions contemplated hereby, and (ii) to own, lease and operate the Station and the Assets owned by it and to carry on the Business as now being conducted.

3.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement and the Transaction Documents by Seller have been duly and validly authorized by all necessary company action. Each of this Agreement and the Transaction Documents (to the extent a party thereto) has been duly executed and delivered by Seller and constitutes a valid and binding agreement of Seller enforceable against it in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

3.3 No Contravention; Consents. Subject to obtaining the Consents set forth in Schedule 3.8, the execution, delivery and performance of this Agreement and the Transaction Documents (to the extent a party thereto), the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Seller will not (i) violate any provisions of the organizational documents of Seller, (ii) result in the creation of any Lien upon any of the Assets, (iii) violate any Legal Requirements applicable to Seller, or (iv) 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, or License to which Seller is a party or by which Seller may be bound, including the Assumed Contracts. Except for the Consents set forth in Schedule 3.3, no Consent of any Governmental Authority or other Person is required by Seller in connection with the execution, delivery and performance of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby.

3.4 Title to Assets. Seller has good and marketable title to or a valid leasehold interest in, or otherwise has the right to use and transfer to Buyer, all Assets used in the Business, free and clear of all Liens other than Permitted Liens. The Assets include all assets reasonably necessary to conduct the Business and operations of the Station as presently conducted.

3.5 Real Property. Schedule 3.5 contains a complete and accurate description of all Real Property. The Real Property does not include any fee estates or owned real property. Seller has a valid and enforceable leasehold interest in all Real Property leased by Seller, in each case free and clear of all Liens, except for Permitted Liens. Except for any leasehold mortgages disclosed to Buyer and to be released at or prior to Closing, to Seller's knowledge, no third party holds any interest in the leased premises with the right to foreclose upon Seller's leasehold interest. Each Real Property lease is in full force and effect and Seller has complied in all material respects with all commitments and obligations on its part to be performed or observed under each Real Property lease. No event or condition has occurred or presently exists which constitutes a material default by Seller under the terms of any of the Real Property leases. Seller has full legal and practical access to all of the Real Property to the extent set forth in each Real Property lease. Except as set forth on Schedule 3.5, all towers, guy anchors, and buildings and other improvements included in the Assets are located entirely on the Real Property listed on Schedule 3.5. All Real Property (including the improvements thereon) (i) is available for immediate use in the conduct of the Business and operations of the Station, and (ii) complies in all material respects with all applicable building or zoning codes and the regulations of any Governmental Authority having jurisdiction, except to the extent that the current use by Seller, while permitted, constitutes or would constitute a "nonconforming use" under current zoning or land use regulations.

3.6 Equipment. Schedule 3.6 contains an accurate and complete list of all items of owned Equipment with an original purchase price in excess of \$2,500 owned or leased by Seller as of the date hereof and included in the Assets. Seller has good and marketable title to all of the owned Equipment, free and clear of all Liens except for Permitted Liens and has a valid leasehold interest in all leased Equipment. None of the Equipment is

subject to any capitalized lease or similar conditional sales or title retention agreement. Except as specified on Schedule 3.6, the Equipment (and any improvements on the Real Property) is in fair operating condition and repair (normal wear and tear excepted), and is available for use, and adequate for its current use, in the conduct of the Business or the operation of the Station.

3.7 Licenses. Schedule 3.7 is a list of all FCC Licenses and other material Licenses held by Seller with respect to the Business or the operations of the Station. All FCC Licenses and other material Licenses are validly issued in the name of Seller and are in full force and effect. Except as set forth on Schedule 3.7, (i) Seller's Licenses are not subject to any conditions that would require operation of the Station in a manner different in any material respect than the operations as of the date of this Agreement, (ii) Seller has complied in all material respects with all the terms of the Licenses and the Station is operated in all material respects in accordance with the terms of the FCC Licenses, and (iii) there are no pending applications filed by Seller seeking to modify any FCC License or other material License, and no pending revocations of any such License or notices or disputes with respect to Seller's compliance therewith. Except as set forth on Schedule 3.7, Seller has not received written notice from the FCC stating that the FCC is taking any action to refuse to renew the FCC Licenses for a full term.

3.8 Contracts. Schedule 3.8 is a list of all Contracts except (i) Contracts with advertisers for the sale of advertising time on the Station in the ordinary course of business for cash at prevailing rates consistent with past practices and that may be canceled by Seller without penalty on not more than thirty days' notice, and (ii) Contracts included in the Excluded Assets. Seller has no contracts with advertisers for the sale of advertising time on the Station that either (x) were entered into other than in the ordinary course of business, or (y) are not terminable by the Station with notice of thirty days or less. Other than Contracts included in the Excluded Assets, Seller has delivered to Buyer true and complete copies of all written Contracts, true and complete descriptions of all oral Contracts (including any amendments and other modifications to such Contracts), and a schedule summarizing Seller's obligations (as of the date set forth on such schedule) under its Trade Agreements which are in effect on the date of this Agreement. Each Contract set forth on Schedule 3.8 is in full force and effect in all material respects. Except as set forth on Schedule 3.3, no Contract requires the Consent of any other contracting party to the transactions contemplated by this Agreement, and the assignment thereof will not affect the validity, enforceability or continuation thereof. Seller is not (and, to Seller's knowledge, no other party is) in material breach or default under any of the Contracts.

3.9 Intellectual Property. Schedule 3.9 contains a description of the Intellectual Property (exclusive of those required to be listed in Schedule 3.7), each of which is valid and in full force and effect in all material respects and, to Seller's knowledge, uncontested except as disclosed on Schedule 3.9. Seller is not aware (i) that it is infringing upon or otherwise acting adversely to any trademarks, trade names, copyrights or similar intellectual property rights owned by any other Person, or (ii) that any other Person is infringing upon or otherwise acting adversely to Seller's rights with respect to its Intellectual Property.

### 3.10 [Personnel Matters.](#)

(a) Seller has provided Buyer as of the date hereof, and will provide Buyer as of the Closing Date, with a complete and accurate list, as of such dates, of the name, hire date, job title, current annual salary or hourly rate of pay (whichever is applicable), 2010 and 2011 bonus and commissions to date, part-time, full-time or temporary status, FLSA status, 2011 accrued but unused vacation benefits, and leave of absence status (including FMLA and disability) of each Employee. There is not now pending or, to Seller's knowledge, threatened, any (i) labor dispute affecting the Employees, including, without limitation, strikes, pickets, organized slowdowns, work stoppages, (ii) grievances, proceedings, complaints, claims, disputes, investigations or charges against the Seller that are material or in writing relating to any alleged violation of any Legal Requirement pertaining to labor relations or employment matters, or (iii) union organizing activity. Seller has complied in all material respects with all applicable Legal Requirements relating to the Employees, including, but not limited to, provisions relating to wages, hours, collective bargaining, equal employment opportunity, pension, profit-sharing and savings plans and trusts including, without limitation, 401(k) plans, and other benefits, affirmative action, immigration, layoffs, workplace safety, worker classification, the collection and payment and withholding of Taxes and WARN. Seller is not and has not been a party to, or bound by, any collective bargaining agreement governing the terms or conditions of employment for the Employees, and Seller has not recognized or agreed to recognize any union for the purposes of collective bargaining for any Employees. No union has been certified to represent any of the Employees for purposes of collective bargaining, and, to Seller's knowledge, no union claims to represent or is seeking to represent any such Employees for purposes of collective bargaining.

(b) Seller has provided Buyer as of the date hereof, and will provide Buyer as of the Closing Date, with a complete and accurate list of each Employee Plan which provides coverage or benefits to Employees. With respect to each Employee Plan, no condition or event has occurred, or is reasonably expected to occur, that could subject, directly or indirectly, the Buyer or any of its Affiliates to any liability, including, but not limited to, any Tax, Lien or penalty under ERISA or the Code, or any "withdrawal liability" (as defined under Section 4201 et. seq. of ERISA) under a multiemployer plan (as defined in ERISA Section 3(37)).

3.11 [Financial Information.](#) Seller has made or will make available to Buyer true and complete copies of the financial information described in [Schedule 3.11](#) (collectively, the "[Financial Statements](#)"). The Financial Statements have been prepared from the Books and Records of Seller and present the financial condition of the Station as at their respective dates and the results of operations for the periods then ended, except that shared operating expenses are allocated among the Station and WNCF(DT), Montgomery, Alabama ("[WNCF](#)") as determined by Seller. Seller is not liable for any Indebtedness with respect to the Assets or the Station except for (i) liabilities set forth in the combined financial statements of the Station and WNCF, (ii) liabilities incurred in the ordinary course of business following the date of such financial statements; and (iii) other



liabilities which exceed Ten Thousand Dollars (\$10,000) per incident or Thirty Thousand Dollars (\$30,000), in the aggregate.

3.12 Taxes. Except as set forth in Schedule 3.12, Seller has filed, or caused to be filed, with the appropriate Governmental Authority, all Tax returns, and Seller has paid, caused to be paid or accrued all Taxes shown to be due and payable or claimed to be due and payable thereon, except where the failure to file such returns or pay or accrue such Taxes could not reasonably be expected to result in a Lien on the Assets or in the imposition of transferee liability on Buyer for the payment of such Taxes. Except as set forth in Schedule 3.12, Seller has no Liability for any Taxes due and owing, except those being contested in good faith, and there are no proceedings pending pursuant to which Seller is or could be made liable for any Taxes, the liability for which could extend to Buyer as transferee of the Assets or as operator of the Station following the Closing.

3.13 Claims and Litigation. Except as set forth in Schedule 3.13, there are no Actions pending or, to Seller's knowledge, threatened by or against Seller relating to the Assets, the Business or the transactions contemplated by this Agreement, other than routine collection actions with respect to the payment by advertisers or other customers for goods or services provided by Seller. Except as set forth in Schedule 3.13, there is (i) no complaint before the FCC as a result of which an investigation, notice of apparent liability or order of forfeiture may be issued from the FCC relating to the Station, (ii) no FCC notice of apparent liability or order of forfeiture pending or outstanding against Seller or the Station, and (iii) no investigation with respect to any violation or alleged violation of any FCC rule, regulation or policy by Seller.

3.14 Compliance with Laws. Except as set forth in Schedule 3.14, Seller has complied in all material respects with all applicable Legal Requirements and Licenses applicable to the Station, the Business and the Assets.

3.15 Environmental Matters. Except as set forth in Schedule 3.15, to Seller's knowledge, other than in compliance with all applicable laws, there is (i) no Handling of any Hazardous Substances at, on or from any Real Property, (ii) no presence of Hazardous Substances on any Real Property, and (iii) no underground tanks, PCBs or asbestos-containing materials located on any Real Property. Neither Seller nor any Person acting on behalf of Seller has released any other Person from any claims Seller might have, or have had, for any matter relating to the presence or Handling of Hazardous Substances on any Real Property. No Liens have been, or are, imposed on any of the Assets under any Environmental Laws. Seller is in compliance in all material respects with all applicable Environmental Laws. Seller has not received any notice of or, to Seller's knowledge, is not the subject of, any Action by any Person alleging liability under or noncompliance with any Environmental Law.

3.16 Conduct of Business in Ordinary Course. Subject to the terms of the TSA-SSA, between the date of the most recent balance sheet of the Seller included in the Financial Statements and the date hereof, Seller has conducted the Business and operations of the Station in the ordinary and usual course consistent with past practice in all material respects, and has not (i) made any material increase in compensation payable

or to become payable to any of the Employees, or any material change in personnel policies, insurance benefits or other Employee Plans affecting the Employees, (ii) made any sale, assignment, lease or other transfer of any of Seller's properties other than Excluded Assets, obsolete or worn-out assets no longer necessary for the operation of the Station, or other Assets sold or disposed of in the normal course of business with suitable replacements being obtained therefore, or (iii) suffered any material damage or destruction (whether or not covered by insurance) to any of its material Assets which Assets have not been repaired or replaced.

3.17 [Insurance](#). Seller's insurance policies on the Assets (i) provide replacement cost coverage of the Assets, subject to a deductible, (ii) are in full force and effect, and (iii) insure the Assets and the Business against all risks customarily insured against within the broadcasting industry.

3.18 [Brokers](#). Seller has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Seller that is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

3.19 [Transactions with Affiliates](#). Except for the fact that the Station and WNCF (which is owned and operated by an Affiliate of Seller) are operated as a single business unit, Seller has not been involved in any business arrangement or relationship relating to the Station with any Affiliate of Seller, and no Affiliate of Seller owns any property or right, tangible or intangible, which is used in the Business of the Station.

3.20 [Disclosure](#). No representation or warranty made by Seller in this Agreement contains any untrue statement of a material fact or knowingly omits or fails to state any material fact or information necessary to make such representation or warranty not materially misleading.

#### SECTION 4: [REPRESENTATIONS AND WARRANTIES OF BUYER](#)

Buyer hereby represents and warrants to Seller as follows:

4.1 [Organization and Authority](#). Buyer is a corporation, duly organized, validly existing and in good standing under the laws of Alabama. Buyer has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Transaction Documents and to consummate the transactions contemplated hereby.

4.2 [Authorization and Binding Obligations](#). The execution, delivery and performance of this Agreement and the Transaction Documents by Buyer have been duly and validly authorized by all necessary corporate action. Each of this Agreement and the Transaction Documents has been duly executed and delivered by Buyer and constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

4.3 [No Contravention; Consents](#). Subject to obtaining the Consents set forth in [Schedule 4.3](#), the execution, delivery and performance of this Agreement and the



Transaction Documents, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Buyer will not (i) violate any provisions of the organizational documents of Buyer, (ii) violate any Legal Requirements applicable to Buyer, or (iii) 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, such that Buyer cannot perform its obligations hereunder. Except for the Consents set forth in Schedule 4.3, no Consent of any Governmental Authority or other Person is required by Buyer in connection with the execution, delivery and performance of this Agreement by Buyer or the consummation by Buyer of the transactions contemplated hereby.

4.4 Compliance with Law. There are no violations by Buyer of any applicable Legal Requirements relating to any business of Buyer that would reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement.

4.5 Claims and Litigation. There are no Actions pending, or to Buyer's knowledge, threatened by or against Buyer that, individually or in the aggregate, could reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement.

4.6 Brokers. Buyer has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Buyer that is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the acquisition of the Assets or the Business.

4.7 Disclosure. No representation or warranty made by Buyer in this Agreement contains any untrue statement of a material fact or knowingly omits or fails to state, any material fact or information necessary to make such representation or warranty not materially misleading.

#### SECTION 5: PRE-CLOSING COVENANTS OF THE PARTIES

5.1 Covenants of Seller. Seller covenants and agrees that from and after the execution and delivery of this Agreement to and including the earlier of (1) the termination of this Agreement in accordance with its terms, or (2) the Closing Date as follows; *provided, however*, that each of such covenants or agreements are subject to the terms of the TSA-SSA, including any modifications or exceptions set forth therein:

(a) Commercially Reasonable Efforts. Seller shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts (including the seeking of a tolling agreement with the FCC) to make and obtain all Consents required in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required Consents of any other Governmental Authorities with

lawful jurisdiction over Seller. Seller shall make all filings with and give all notices to third parties that may be reasonably necessary of Seller in order to consummate the transactions contemplated hereby. Except as expressly provided by this Agreement, neither Seller nor Buyer shall be required to make any payments to Persons or parties to the Assumed Contracts in order to obtain their Consents, except that Seller shall pay any nominal 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 Assumed Contract, and Seller shall be responsible for curing any of its breaches or defaults under any such Assumed Contract. If in connection with the process of obtaining any Consent, a Governmental Authority or other Person imposes any condition or any change to a License or Assumed Contract to which such Consent relates that would be applicable to Buyer or any of its Affiliates as a requirement for granting its Consent, Buyer may negotiate jointly with Seller with such Governmental Authority or other Person with respect to such condition or change, but Buyer shall not be required to agree to any such condition or change, and Seller shall not agree to any such condition or change that is not approved in writing by Buyer in its sole discretion; *provided* that if any such condition or change only involves monetary payments to such Governmental Authority or other Person, either Buyer or Seller may elect, in its sole discretion, to satisfy the full amount of such monetary payments, in which case, the other Party shall be deemed to accept such condition or change to the extent so satisfied.

(b) [No Control](#). Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Seller shall maintain actual (*de facto*) and legal (*de jure*) control over the FCC Licenses and the Station; *provided, however*, that Buyer and Seller acknowledge that Buyer will be performing certain duties and obligations with respect to the Station pursuant to the terms of the TSA-SSA. Subject to the terms of the TSA-SSA, the responsibility for the operation of the Business and the Station shall, until the Closing, reside with Seller, including responsibility for the following matters: access to and use of the facilities of and Equipment owned or leased by Seller; control of the daily operation of the Station; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Station prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Station; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

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

(d) [Operation in the Ordinary Course and Maintenance of Assets](#). Subject to the terms of the TSA-SSA, from the date hereof until the sooner of the Closing

or the termination of this Agreement pursuant to Section 11 hereof, Seller shall (i) conduct the Business and operations of the Station in the ordinary course of business consistent with past practices, (ii) maintain the Assets in their current operating condition (ordinary wear and tear excepted), and (iii) not sell, transfer, convey or otherwise dispose of, with or without consideration, any assets used or held for use in or relating to the Station other than in the ordinary course of business consistent with past practices.

(e) Compliance with Laws. Seller shall comply in all material respects with all Legal Requirements and Licenses applicable to Seller with respect to the Station, the Assets or the conduct of the Business.

(f) Contracts and Liens. Seller shall (i) not default under, or breach any term or provision of, or suffer or permit to exist any condition or event that, after notice or lapse of time, or both, would constitute a default under, any material Contract of Seller, (ii) not cause or permit the termination (except upon the expiration thereof in accordance with its terms), modification or amendment of any Assumed Contract of Seller, and (iii) not create, assume, consent to or suffer to exist any Lien on any of its Assets (other than Permitted Liens). Unless Buyer shall have given its prior written consent, Seller shall not enter into, amend, modify or renew any Assumed Contract or incur any obligation (including obligations arising from the amendment of any existing Assumed Contract) that will be binding on Buyer after the Closing.

(g) Exclusivity. From the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with its terms, Seller shall not offer, seek to offer, or entertain or discuss any offer, to sell or transfer the Station or the Assets (other than to Buyer), nor shall its stockholders or its officers, directors, employees, agents, representatives, or Affiliates offer, seek to offer, or entertain or discuss any offer, to sell or transfer, directly or indirectly, the Station or the Assets or any interest in Seller (other than to Buyer).

(h) Indebtedness. Seller will satisfy at or prior to Closing all outstanding Indebtedness, if any, with respect to any of the Assets and obtain good title to all Assets and a release and discharge of all Liens on all Assets (other than Permitted Liens), so that all applicable agreements and instruments related to the Indebtedness are terminated and the Assets may be transferred to Buyer at Closing free and clear of all Liens (other than Permitted Liens) in accordance with this Agreement; provided, however, that if a customary payoff letter in form and substance reasonably satisfactory to Buyer and Seller signed by any applicable lien holder is delivered to Buyer prior to Closing, and the amounts set forth therein are paid to such lien holder at Closing out of the Closing Cash Payment, then such actions shall be sufficient for Seller's compliance with this covenant with respect to such Indebtedness.

(i) Employment and Benefits. Seller shall not (i) increase or otherwise change the rate or nature of the compensation which is paid or payable to any Employee except pursuant to applicable Legal Requirements or both in the ordinary course of business consistent with past practices and not in excess of 3%, (ii) adopt, or commit to adopt, any Employee Plan except to the extent that it applies to a broad group of

employees of the Seller and its Affiliates and is not targeted at the Employees, (iii) make any amendments to any Employee Plan except to the extent required by any applicable Legal Requirement, or necessary to preserve the nature of the benefits provided under such plan, or to the extent that it applies to a broad group of employees of the Seller and its Affiliates and is not targeted at the Employees, (iv) enter into, renew or allow the renewal of any employment agreement or other contract or arrangement, in each case, with respect to the performance of personal services for the Station, other than an agreement terminable at will without penalty, or (v) voluntarily agree to enter into any collective bargaining agreement applicable to any Employees or otherwise recognize any union as the bargaining representative of any Employees.

5.2 Covenants of Buyer. Buyer covenants and agrees that from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) Commercially Reasonable Efforts. Buyer shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts to make and obtain all necessary Consents and other authorizations required of Buyer in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required Consent of any other Governmental Authorities with lawful jurisdiction. Buyer shall make all filings with and give all notices to third parties that may be necessary or reasonably required of Buyer in order to consummate the transactions contemplated hereby. Buyer shall not be required to make any payments to any Persons or parties in order to obtain their Consents.

(b) No Control. Notwithstanding any provision of this Agreement to the contrary, until Closing, Buyer shall do nothing to interfere with Seller's actual (*de facto*) and legal (*de jure*) control over the Station; *provided, however*, that Buyer and Seller acknowledge that Buyer will be performing certain duties and obligations with respect to the Station pursuant to the terms of the TSA-SSA. Subject to the terms of the TSA-SSA, Buyer acknowledges and agrees that the responsibility for the operation of the Business and the Station shall, until Closing, reside with Seller, including responsibility for the following matters: access to and use of the facilities of and equipment owned by Seller; control of the daily operation of the Station; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Station prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Station; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

## SECTION 6: JOINT COVENANTS

6.1 Consultations regarding Consents of Governmental Authorities. The Parties shall consult with one another as to the approach to be taken with any Governmental Authority with respect to obtaining any necessary Consent of such Governmental Authority to the transactions contemplated hereby, and each Party shall keep the other

Party reasonably informed as to the status of any communications by it with any Governmental Authority. No Party hereto shall make any material commitments relating to any Consent of any Governmental Authority that would alter in any material way any application or request filed jointly by the Parties with respect to the transactions contemplated hereby without the other Party's prior written consent.

6.2 Joint Filings. Seller and Buyer shall cooperate in the preparation of the Assignment Application to be filed by Seller and Buyer with the FCC no later than five (5) Business Days following the date hereof, and with any other applicable Governmental Authority as soon as practicable following the date hereof, requesting the approval of the assignment and transfer of the Licenses (as appropriate). Each of the Parties hereto shall diligently take or cooperate in the taking of all steps that are reasonably necessary or appropriate (including the seeking by Seller of a tolling agreement with the FCC) to expedite the prosecution and favorable consideration of such applications. The Parties shall undertake all actions and file such materials as shall be reasonably necessary or required to obtain any necessary waivers or other authority in connection with the foregoing applications. Buyer and Seller shall oppose any requests for reconsideration or judicial review of the FCC Consent. If the 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 11, the Parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either Party of its rights under Section 11.

6.3 Employee Matters.

(a) Buyer may, but shall have no obligation to, employ or offer employment effective as of the Closing to any of the Employees; provided Buyer may not employ or offer employment to those Employees marked with an asterisk on Schedule 3.10(a) (such employees who accept Buyer's offer of employment shall be referred to herein as "Transferred Employees"). In the event such employment is offered, the terms and conditions of the employment offered by Buyer to any such Employee will be established by Buyer in its discretion. With respect to any Employee who drives a company vehicle, or drives his or her own vehicle, in performance of his or her duties for the Seller, Buyer may condition any offer of employment to such Employee upon the completion of a satisfactory motor vehicle check. Immediately prior to the Closing, the Seller shall terminate the employment of all Employees to whom Buyer makes an offer of employment.

(b) Seller shall retain full responsibility and Liability for offering and providing "continuation coverage" to any "qualified beneficiary" who is covered by a "group health plan" sponsored or contributed to by Seller or an ERISA Affiliate and who has experienced a "qualifying event" or is receiving "continuation coverage" on or prior to the Closing. "Continuation coverage," "qualified beneficiary," "qualifying event" and "group health plan" shall each have the meaning given such term under Section 4980B of the Code and Section 601 et seq. of ERISA.

(c) Seller shall be solely responsible for compliance with applicable federal, state or local laws regarding “plant closings” or “mass layoffs” (as such terms are defined in WARN) or similar triggering events as they relate to the transactions contemplated by this Agreement, including, without limitation, the requirements of WARN. Except as otherwise provided in this Section 6.3, Seller shall (i) retain liability for all obligations and liabilities to the Employees arising prior to the Closing; and (ii) be responsible for and shall cause to be discharged and satisfied in full all amounts owed to the Transferred Employees, including, without limitation, wages, salaries, bonuses, severance pay, sick pay, accrued vacation, any Liabilities accrued or incurred under any of the Employee Plans, or any other benefits or payments relating to the period of employment by Seller.

(d) Seller shall pay to each Transferred Employee an amount in cash equal to the amount of such Transferred Employee’s unused vacation leave (calculated as of the Closing Date) that was accrued prior to 2011. Buyer shall provide each Transferred Employee credit for any unused vacation leave (calculated as of the Closing Date) that was accrued in 2011 pursuant to policies in effect for similarly situated employees of Buyer and its Affiliates as of the Closing Date.

(e) This Section 6.3 will operate exclusively for the benefit of the parties to this Agreement and no provision of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Seller with respect to continued employment (or resumed employment) with Buyer or Seller or in respect of any other matter.

6.4 Notice of Breach. Buyer and Seller shall give prompt notice to one another of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which has caused or would be likely to cause any representation or warranty made by such Party in this Agreement to be untrue or inaccurate at or prior to the Closing Date, and (ii) any material failure of Buyer or Seller, as the case may be, to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however*, that the delivery of any notice pursuant to this Section 6.4 shall not cure such breach or non-compliance or limit or otherwise affect the remedies available hereunder to the Party receiving such notice. The term “Cure Period” as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter, or (ii) five (5) business days after the scheduled Closing Date; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the date five (5) business days after the scheduled Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the date five (5) business days after the scheduled Closing Date. Notwithstanding the forgoing there shall be no Cure Period for any failure by Buyer to pay the Purchase Price or make other payments to Seller as called for in this Agreement on the dates when due.



6.5 Confidentiality. Except for disclosure to Affiliates, officers, directors, employees, attorneys, bankers, investors, or other representatives in furtherance of the transactions contemplated by this Agreement, or disclosure to Governmental Authorities or other Persons in accordance with applicable Legal Requirements, each Party shall maintain the confidentiality of all information obtained by it from the other Party in connection with the transactions contemplated by this Agreement, unless such information (i) thereafter becomes generally available to the public, (ii) is otherwise available to the Party desiring to disclose the information on a non-confidential basis from another source, or (iii) has been developed independently by the Party seeking to disclose the information. If this Agreement is terminated pursuant to Section 11 hereof, each Party shall return to the other Party all documents (written and electronic) and other materials obtained by the first Party from the other Party in connection with the negotiation of this Agreement and/or relating to the transactions contemplated hereby. The parties acknowledge that this Agreement and the TSA-SSA must be filed with the FCC.

6.6 Press Releases. No Party hereto will issue any press release or make any other public announcements concerning this Agreement or the transactions contemplated hereby except with the prior approval (not to be unreasonably withheld) of the other Party hereto regarding the timing and content of such announcement; *provided, however*, that any Party hereto may make any disclosure that it in good faith determines to be necessary to comply with applicable Legal Requirements so long as such Party shall give prior written notice to the other Party of such disclosure.

6.7 Receivables.

(a) During the period starting on the Commencement Date (as such term is defined in the TSA-SSA) and continuing for a period of ninety (90) days from such date (the “Collection Period”), Buyer, as agent for Seller, shall collect on behalf of Seller all Receivables with the same care and diligence as Buyer uses with respect to its own accounts receivable, except that Buyer shall not refer any of the Receivables to a collection agency or to an attorney for collection, or compromise, settle or adjust the amount of any Receivable except with the prior written approval of Seller.

(b) During the Collection Period, all Receivables payments received from account debtors shall be applied to the oldest receivable first; provided, however, to the extent that any account debtor disputes in a written notice to Buyer whether an account is properly due or otherwise directs any payment, all payments received from such account debtor shall be applied as directed by such account debtor. Buyer will promptly provide Seller a copy of any written notice of any dispute received from any account debtor.

(c) Buyer shall remit all payments owed to Seller (as set forth in this Section 6.7) on the fifteenth day and the last day of each month, together with a list of the accounts and amounts collected during the relevant period to which such payments pertain.

(d) So long as Buyer is in compliance with this Section 6.7, during the Collection Period neither Seller nor any of its representatives or agents, shall make any direct solicitation of the account debtors for collection purposes with respect to the Receivables or other direct attempts to collect such Receivables from account debtors during such Collection Period except (i) as may be agreed to by Buyer, (ii) with respect to those Receivables that shall have become more than ninety (90) days past due, and (iii) those Receivables as to which Buyer has received written notice of a dispute from the account debtor.

(e) Upon the conclusion of the Collection Period, Buyer shall remit to Seller all amounts collected by Buyer from account debtors not previously remitted to Seller, shall assign to Seller all uncollected Receivables and shall furnish Seller with a compilation of the accounts and amounts collected during such period and all files concerning any uncollected Receivables, and Buyer shall have no further responsibilities hereunder except to remit promptly to Seller any amounts subsequently received by it on account of the Receivables.

6.8 Allocation of Purchase Price. Buyer and Seller shall use commercially reasonable good faith efforts to agree on the allocation of the Purchase Price in accordance with the rules under Section 1060 of the Code; *provided, however*, that if the Parties are unable to agree to such allocation, each Party may make such allocation as it may determine in its sole discretion. If the Parties are able to reach agreement on the allocation of the Purchase Price, no filings made by either Party with any taxing or other authority shall reflect an allocation other than in the manner agreed upon and each Party shall timely make all filings required by any taxing authority, including the filing of Internal Revenue Service Form 8594.

6.9 Bulk Sales. Seller and Buyer hereby waive compliance by the other with bulk sales Legal Requirements applicable to the transactions contemplated hereby.

6.10 Risk of Loss. Except for any loss of or damage to any of the Assets as a result of acts or omissions of Buyer under the TSA-SSA, the risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets shall be borne by Seller at all times prior to the Closing. In the event that any such loss or damage shall be sufficiently substantial so that any representation or warranty of Seller shall not be true and correct in all material respects at the Closing Date (after giving consideration to any repairs, restoration or replacement to occur prior to the Closing Date and to any responsibility of Buyer for such loss or damage under the terms of the TSA-SSA), Seller shall promptly notify Buyer in writing of the circumstances, (i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business prior to the Closing; (ii) Seller's representation and warranties and Buyer's pre-Closing termination rights and post-Closing indemnification rights are hereby modified to take into account such condition to the extent remedied (if any) in accordance with this provision; and (iii) if such repair or replacement cannot be completed or is not completed, prior to Closing, then, as Buyer's sole remedy, the parties shall proceed to Closing and Buyer may elect (A) to be paid all insurance proceeds payable in respect of the loss or damage, (B) to require Seller to repair or replace such



item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation), or (C) to repair or replace itself such item after Closing with assets which are comparable in all material respects to the damaged assets (and which are not “upgrades”) and withhold the cost thereof from any applicable Earnout Amount, and/or, to the extent the cost exceeds the applicable Earnout Amount, to submit the cost of such items to Seller, which Seller agrees to reimburse to Buyer on a dollar-for-dollar basis.

6.11 [Real Property Leases.](#) Seller shall use commercially reasonable efforts prior to Closing to obtain executed versions of estoppel certificates from the landlords under the Real Property leases and in a form reasonably acceptable to Buyer. Seller shall use commercially reasonable efforts to assist Buyer in obtaining from the landlords under the Real Property leases prior to Closing any landlord waivers and consents to any leasehold mortgages required by Buyer.

6.12 [Further Assurances.](#) On and after the Closing Date, the Parties will take all appropriate and commercially reasonable actions and execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to put Buyer in possession and operating control of the Assets and the Station, or to otherwise carry out any of the provisions hereof

6.13 [Replacement Contracts and Assignment of Contracts.](#)

(a) After the execution of this Agreement, the parties shall make appropriate requests and shall use commercially reasonable efforts to obtain reasonably comparable replacement or separated contracts that provide similar rights and obligations as currently available under the contracts listed on [Schedule 6.13](#) for the benefit of Buyer and the Station (each, a “[Replacement Contract](#)”). Buyer, on the one hand, and Seller, on the other hand, shall each be responsible for and pay one-half (½) of all ordinary course administrative or processing fees imposed by any Person as a condition to processing any Replacement Contract requests (it being agreed and understood, however, that neither Buyer nor Seller shall be required to pay any consent, termination or other fees in connection therewith). If any Replacement Contract has not been obtained by Closing, the parties shall proceed to Closing and Seller shall provide Buyer with the benefits of the applicable Contract listed on [Schedule 6.13](#) to the same extent as if it had been assigned, and Buyer shall perform the obligations of Seller attributable to any period on or after the Closing under the agreement relating to the benefit obtained by Buyer to the extent Buyer receives such benefit.

(b) If, with respect to any Assumed Contract to be assigned to Buyers, a consent required to assign such Assumed Contract is not obtained by the Closing, then unless Buyer otherwise consents, such contract shall not be assigned to Buyer at Closing, Seller shall provide Buyer the benefit of it to the same extent as if it had been assigned, and Buyer shall perform Seller’s obligations attributable to any period on or after the Closing under the agreement relating to the benefit obtained by Buyer. Nothing in this Agreement shall be construed as an attempt to assign any Contract that is by its terms nonassignable without the consent of the other party. Promptly after receipt of any such

consent or approval after the Closing, such Contract shall automatically be assigned to Buyer and Buyer shall automatically assume such Contract from Seller for the period after the receipt of such Consent.

#### SECTION 7: CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE

The obligations of Seller to sell the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

7.1 Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true, correct and complete in all material respects at and as of the date hereof and the Closing Date as if such representations and warranties were made at and as of the date hereof and the Closing Date except for (i) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, or (ii) changes in any representation or warranty as a result of any act or omission of Seller, including under the TSA-SSA. Buyer shall have performed all agreements and covenants required hereby to be performed by Buyer prior to or on the Closing Date, except to the extent such noncompliance results from any act or omission of Seller or its agents, including under the TSA-SSA.

7.2 Closing Deliveries. Seller shall have received from Buyer the documents and other items to be delivered to Seller by Buyer pursuant to Section 9.3 of this Agreement.

7.3 FCC Consent. The FCC Consent shall have been granted, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby.

7.4 No Injunction. No Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

#### SECTION 8: CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE

The obligations of Buyer to purchase the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

8.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true, correct and complete in all material respects at and as of the date hereof and the Closing Date as if such representations and warranties were made at and as of the date hereof and the Closing Date except for (i) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, or (ii) changes in any representation or warranty as a result of any act or

omission of Buyer, including under the TSA-SSA. Seller shall have performed all agreements and covenants required hereby to be performed by Seller prior to or on the Closing Date, except to the extent such noncompliance results from any act or omission of Buyer or its agents, including under the TSA-SSA.

8.2 [Closing Deliveries](#). Buyer shall have received from Seller the documents and other items to be delivered by Seller pursuant to [Section 9.2](#) of this Agreement.

8.3 [FCC Consent](#). The FCC Consent shall have been granted without the imposition on Buyer of any conditions that need not be accepted or complied with by Buyer under this Agreement and shall have become a Final Order, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent or Final Order that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby

8.4 [Required Consents](#). Each Consent that is designated by Buyer and Seller on [Schedule 3.3](#) as being a “[Required Consent](#)” shall have been obtained without any adverse change in the terms or conditions of each Contract to which such Consent relates from those in effect on the date hereof.

8.5 [Material Adverse Effect](#). Since the date of the most recent balance sheet included in the Financial Statements, no Material Adverse Effect has occurred.

8.6 [No Injunction](#). No Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

## SECTION 9: [THE CLOSING](#)

9.1 [The Closing](#). On the Closing Date and by electronic exchange of the materials to be delivered at the Closing or at such place as the Parties may mutually agree upon, Seller shall make such deliveries as are set forth in [Section 9.2](#), and Buyer shall make such deliveries as are set forth in [Section 9.3](#). All transactions at the Closing are deemed to have taken place simultaneously and no transaction shall be deemed to have been completed, nor shall any document be deemed to have been delivered, until all transactions shall have been completed and all documents delivered.

9.2 [Deliveries by Seller to Buyer](#). Seller shall deliver to Buyer:

(a) One or more deeds, bills of sale, assignments and other appropriate instruments of conveyance transferring to Buyer all of the Assets free and clear of all Liens, other than Permitted Liens, which instruments shall be in form and substance reasonably satisfactory to Buyer and Seller, along with evidence reasonably satisfactory to Buyer of the payment and satisfaction of all Liens, other than Permitted Liens, including a payoff letter reasonably satisfactory to Buyer, executed by any holder of Liens to be released, or duly executed UCC-3 termination statements, mortgage releases and such other release and termination instruments as Buyer shall reasonably request.

(b) A copy of each instrument evidencing the Required Consents and any other Consent that shall have been obtained prior to Closing;

(c) A copy of the resolutions of the governing body of Seller approving the transactions contemplated by this Agreement;

(d) A certificate signed by an officer of Seller attesting to Seller's fulfillment of the conditions set forth in Section 8.1;

(e) Estoppel certificates of the lessors of all leasehold and subleasehold interests, as applicable, included in the Real Property and which are designated on Schedule 3.8 as being required for Closing;

(f) The Earnout Agreement, duly executed by Seller;

(g) The Escrow Agreement, duly executed by Seller; and

(h) Such other documents reasonably requested by Buyer to give effect to the transactions contemplated by this Agreement.

9.3 Deliveries by Buyer to Seller. Buyer shall deliver to Seller:

(a) The Closing Cash Payment;

(b) One or more appropriate assumption agreements whereby Buyer assumes and agrees to perform the Assumed Liabilities in form and substance reasonably satisfactory to Seller;

(c) A copy of the resolutions of Buyer approving the transactions contemplated by this Agreement;

(d) A certificate signed by an officer of Buyer attesting to Buyer's fulfillment of the conditions set forth in Section 7.1;

(e) The Earnout Agreement, duly executed by Buyer;

(f) The Escrow Agreement, duly executed by Buyer; and

(g) Such other documents reasonably requested by Seller to give effect to the transactions contemplated by this Agreement.

## SECTION 10: INDEMNIFICATION

10.1 Survival. All representations and warranties of the Parties contained in this Agreement (or in any document delivered in connection herewith) shall be deemed to have been made on the date of this Agreement and on the Closing Date, shall be deemed to be material and to have been relied upon by the Parties notwithstanding any investigation made by the Parties or notice or information delivered to or acquired by the Parties, shall be deemed continuing representations and warranties, and shall survive the

Closing and shall remain operative and in full force and effect for a period of twelve (12) months after the Closing, *provided, however*, that the representations and warranties set forth in Sections 3.2 and 4.2 shall survive indefinitely and the representations and warranties set forth in Sections 3.4, 3.10(b), 3.12, 3.15, 3.18 and 3.19 shall survive until the expiration of the applicable statute of limitations (such Sections, collectively, the “Excluded Representations”). All covenants and agreements of the Parties contained in this Agreement, to the extent to be performed in whole prior to the Closing, shall survive the Closing for a period of twelve (12) months. (The applicable period of such survival of each Party’s representations or warranties and covenants or agreements subsequent to Closing is referred to as the “Indemnity Period.”) All covenants and agreements of the Parties contained in this Agreement to be performed in whole or in part after the Closing shall survive until such covenants and agreements are performed and discharged in full.

10.2 Seller’s Indemnity. Following Closing, Seller shall indemnify and hold harmless Buyer and its Affiliates and each of their respective stockholders, partners, members, officers, directors, employees, agents, other representatives and successors and assigns (each a “Buyer Indemnified Party” and collectively the “Buyer Indemnified Parties”) from and against any and all demands, losses, Liabilities, Actions, assessments, damages, fines, Taxes, penalties, reasonable costs and expenses (including reasonable expenses of investigation, and reasonable fees and disbursements of counsel, accountants and other experts 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) (collectively, “Losses”) incurred or suffered by a Buyer Indemnified Party, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Seller in this Agreement or in any certificate, document or instrument delivered by Seller under this Agreement;

(b) Any failure by Seller to perform any of its covenants or agreements contained in this Agreement; or

(c) Subject to the terms and conditions of the TSA-SSA, the Non-Assumed Liabilities.

10.3 Buyer’s Indemnity. Following Closing, Buyer shall indemnify and hold harmless Seller and its Affiliates and each of their respective stockholders, partners, members, officers, directors, employees, agents, other representatives and successors and assigns (each a “Seller Indemnified Party” and collectively the “Seller Indemnified Parties”) from and against any and all Losses incurred or suffered by a Seller Indemnified Party, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Buyer in this Agreement or in any certificate, document or instrument delivered by Buyer under this Agreement;

(b) Any failure by Buyer to perform any of its covenants or agreements contained in this Agreement; or

(c) The Assumed Liabilities.

10.4 Procedures. In the event that any Party hereto shall sustain or incur any Losses in respect of which indemnification may be sought by such Party pursuant to this Section 10, the Party seeking such indemnification (the “Claimant”) shall assert a claim for indemnification by giving prompt written notice thereof (a “Claim Notice”) which shall describe in reasonable detail the facts and circumstances upon which the asserted claim for indemnification is based, along with a copy of any claim or complaint, if applicable, to the Party providing indemnification (the “Indemnitor”). For purposes of this paragraph, any Claim Notice that is sent within fifteen (15) days of the date upon which the Claimant actually learned of such Loss shall be deemed to have been “prompt notice”; *provided* that failure of the Claimant to give the Indemnitor prompt notice as provided herein shall not relieve the Indemnitor of any of its obligations hereunder except to the extent that the Indemnitor is materially prejudiced by such failure.

(a) Upon the receipt of such Claim Notice, the Indemnitor shall have the right to undertake (at its own expense), by counsel or representatives of its own choosing, the good faith defense, compromise or settlement to be undertaken on behalf of the Claimant and shall keep the Claimant reasonably informed with respect thereto. Indemnity for such Losses shall not be deemed an admission of liability on the part of the Indemnitor as against any such Person. If the Indemnitor elects to undertake such defense by its own counsel or representatives, the Indemnitor shall give notice to the Claimant within thirty (30) days of its receipt of the Claim Notice. Notwithstanding the foregoing, the Indemnitor may not assume or control the defense if the named parties to the action giving rise to the Claim Notice (including any impleaded parties) include both the Indemnitor and the Claimant and representation of both Parties by the same counsel would be inappropriate (based on a written opinion of outside counsel) due to actual or potential differing interests between them, in which case the Claimant shall have the right to defend the action and to employ counsel reasonably approved by the Indemnitor, and, to the extent the matter is determined to be subject to indemnification hereunder, the Indemnitor shall reimburse the Claimant for all reasonable costs associated with such defense.

(b) The Claimant shall cooperate with the Indemnitor in such defense, at its own expense, and provide the Indemnitor with all information and assistance reasonably necessary to permit the Indemnitor to settle and/or defend any such claim. Except as otherwise provided in the last sentence of Section 10.4(a) or in Section 10.4(c), the Claimant may retain counsel (at the Claimant’s expense) to monitor or participate in the defense of such claim. The Indemnitor shall not have the right to settle or compromise any such claim without the prior written consent of Claimant unless such settlement (i) includes as an unconditional term thereof the delivery by the claimant or plaintiff to the Claimant of a release from all liability in respect of such claim or litigation, and (ii) does not attribute by its terms any non-indemnified liability to the Claimant.



(c) If an Indemnitor fails, within thirty (30) days after the date of the Claim Notice to give notice to the Claimant of such Indemnitor's election to assume the defense thereof, the Indemnitor shall be bound by any determination made in such action or any compromise or settlement thereof effected by the Claimant and shall reimburse the Claimant for all Losses (including reasonable attorney's fees) incurred by the Claimant; *provided, however*, that the Claimant shall keep the Indemnitor advised on a timely basis of significant developments with respect to such defense and permit the Indemnitor to participate, at its own election and expense, at any time, in the defense thereof.

10.5 Qualifications and Limitations. Notwithstanding any provision contained in this Agreement to the contrary, the Indemnitor's obligations to indemnify the Claimant pursuant to Sections 10.2(a) or 10.3(a) shall be subject to the following qualifications and limitations:

(a) The indemnity rights of Buyer under Section 10.2(a) or of Seller under Section 10.3(a), as Claimant, with respect to any breach of a representation or warranty by the other Party as Indemnitor expire upon the expiration of the Indemnity Period except with respect to any claim for indemnification for which a Claim Notice shall have been given prior to the expiration of the Indemnity Period.

(b) For the purpose of determining Losses (but not for determining whether a breach has occurred with respect to any representation or warranty contained in Section 3 or Section 4 of this Agreement) any exception for "Material Adverse Effect" and any qualification by "in all material respects," "knowledge," or "to the knowledge" in any representation or warranty shall be disregarded as if such representation or warranty did not contain such exception or qualification, and the phrase "material breach" or "material default" in any representation or warranty shall be read as if the word "material" were not present therein.

(c) Neither Party shall be entitled to assert a claim for indemnification from the other Party under the provisions of Section 10.2(a) or Section 10.3(a) until such time as the damages subject to indemnification exceed, in the aggregate, One Hundred Thousand Dollars (\$100,000) (the "Basket"), after which point the Party claiming indemnification will be entitled to payment for all damages subject to indemnification, including the amounts comprising the Basket; provided that such limitation shall not apply to any Losses arising from the breach of any Excluded Representation or fraud. Further, any and all indemnification obligations of either Party under the provisions of Section 10.2(a) or Section 10.3(a) (other than the Excluded Representations) shall not exceed the sum of Two Million Dollars (\$2,000,000), and the indemnification obligations of either Party under the provisions of Section 10.2(a) or Section 10.3(a) (including the Excluded Representations) shall not exceed the sum of Cash Closing Payment; provided, however, that such limitations shall not apply to any Losses arising from fraud.

## SECTION 11: TERMINATION

11.1 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Station abandoned, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. Provided that Seller is not then in material default under this Agreement, subject to Section 11.3 and any applicable cure period set forth in Section 6.4, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in Section 7 has not been satisfied or waived in writing by Seller.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing.

(c) Failure to Close. If the Closing shall not have occurred within eighteen (18) months of the execution of this Agreement.

11.2 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Station abandoned, upon written notice to Seller, upon the occurrence of any of the following:

(a) Conditions. Provided that Buyer is not then in material default under this Agreement, subject to Section 11.3 and any applicable cure period set forth in Section 6.4, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in Section 8 has not been satisfied or waived in writing by Buyer.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing or if there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the WNCF Agreements.

(c) Failure to Close. If the Closing shall not have occurred within eighteen (18) months of the execution of this Agreement.

11.3 Effect of Termination. Upon termination: (i) if neither Party hereto is in material breach of any provision of this Agreement, the Parties hereto shall not have any further liability to each other; (ii) if Seller shall be in material breach of any provision of this Agreement, Buyer shall have the rights and remedies provided in Section 11.4 and Section 11.5 or otherwise available at law or equity; or (iii) if Buyer shall be in material breach of any provision of this Agreement, Seller shall have all rights and remedies provided Section 11.5 or otherwise available at law or equity.

11.4 Specific Performance. The Parties recognize that if Seller refuses to perform under the provisions of this Agreement or otherwise breaches its obligation to consummate this Agreement, monetary damages alone would not be adequate to



compensate Buyer for its injury. Buyer shall therefore 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, Seller shall waive the defense that there is an adequate remedy at law.

11.5 Attorneys' Fees. In the event of a default by either Party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing Party shall be entitled to reimbursement from the other Party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

11.6 Surviving Obligations. The rights and obligations of the Parties described in Sections 6.5, 6.6 and 12, and this Section 11 shall survive any termination.

## SECTION 12: MISCELLANEOUS

12.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be sent by telecopy (with automatic machine confirmation), delivered by personal delivery, or sent by commercial delivery service or certified mail, return receipt requested, (ii) deemed to have been given on the date of actual receipt, which may be conclusively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, and (iii) addressed to the recipient at the address specified below, or with respect to any Party, to any other address that such Party may from time to time designate in a writing delivered in accordance with this Section 12.1:

If to Buyer:

ALABAMA TELECASTERS, INC.  
c/o Bahakel Communications, Ltd.  
One Television Place  
Charlotte, NC 28205  
Attention: Russell J. Schwartz, Esq.  
Fax: (704) 375-5890

and

ALABAMA TELECASTERS, INC.  
c/o Bahakel Communications, Ltd.  
One Television Place  
Charlotte, NC 28205  
Attention: Louis Spitzer  
Fax: (704) 375-5890

with a copy (which shall not constitute notice) to:

Dow Lohnes PLLC  
1200 New Hampshire Avenue, NW, Suite 800  
Washington, DC 20036  
Attention: M. Anne Swanson, Esq.  
Fax: (202) 776-2222

If to Seller:

Sagamore Hill Broadcasting  
SagamoreHill Broadcasting of Alabama  
525 Blackburn Drive  
Augusta, GA 30907  
Attention: Louis Wall  
Fax: 706-534-5810

and

Duff Ackerman & Goodrich  
Two Embarcadero Center  
Suite 1670  
San Francisco, CA 94111  
Fax: 415-788-7311  
Attention: John M. Duff

With a copy (which shall  
not constitute notice) to:

Edinger Associates  
1875 I St. NW, Suite 500  
Washington, DC 20006  
Attention: Brook A. Edinger, Esq.  
Fax: (202) 747-1691

12.2 Expenses. Seller shall be solely responsible for any sales and transfer Taxes, recording and transfer fees arising from the purchase and sale of the Assets pursuant to this Agreement. Buyer and Seller shall share equally and be responsible for (i) any fees associated with filing the Assignment Application for the FCC Consent and (ii) any other filing or similar fees relating to applications for Consent required from any Governmental Authority. Except as otherwise provided in this Agreement, Seller and Buyer shall each be liable for its own fees and expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement and the consummation of the transactions contemplated herein.

12.3 Choice of Law. This Agreement shall be construed, interpreted and the rights of the Parties determined in accordance with the laws of the State of North Carolina, without giving effect to the conflicts of law principles of such state.

12.4 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller or Buyer without the prior written consent of the other Party hereto, except that Buyer may assign its rights and obligations under this Agreement to any of its Affiliates. Additionally, Buyer or Seller may collaterally assign all or any of their respective rights under this Agreement to their respective senior secured lenders or an agent on their behalf from time to time. Upon written notice by any such lender or agent to the other Party hereto, such lender or agent shall be entitled to exercise any and all rights of the applicable collaterally assigning Party hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder.

12.5 [Entire Agreement](#). This Agreement, the Transaction Documents, all schedules hereto, and all documents and certificates to be delivered by the Parties pursuant hereto, collectively represent the entire understanding and agreement between the Parties hereto with respect to the subject matter of this Agreement. All schedules attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein. This Agreement supersedes all prior negotiations, letters of intent or other writings between the Parties and their respective representatives with respect to the subject matter hereof and cannot be amended, supplemented, or modified except by an agreement in writing that makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by each Party hereto.

12.6 [Waivers 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 or 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.

12.7 [Severability](#). In the event that any one or more of the provisions contained in this Agreement or the Transaction Documents 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 such instrument and this Agreement and the Transaction Documents shall be construed in a manner that, as nearly as possible, reflects the original intent of the Parties, except that if such invalidity or unenforceability should change the basic economic positions of the Parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material questions as to the validity of any provision of this Agreement or the Transaction Documents, the Parties shall negotiate in good faith to revise any such provision of this Agreement and the Transaction Documents in an effort to comply with all applicable FCC Legal Requirements, while attempting to preserve the intent of the Parties as embodied in the provisions of this Agreement and the Transaction Documents.

12.8 [Construction](#). The Parties acknowledge and agree that this Agreement is the result of extensive negotiations between the Parties and their respective counsel, and that this Agreement shall not be construed against any Party by virtue of its role or its counsel's role in the drafting hereof.

12.9 [Counterparts](#). This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all

of which counterparts together shall constitute one and the same fully executed instrument.

12.10 [Seller Guaranty.](#)

(a) Guarantor, for the benefit of Buyer, in consideration of the promises, covenants and agreements of Buyer under this Agreement, hereby (i) agrees to cause Seller to take all actions as are necessary to perform its obligations under this Agreement and (ii) unconditionally guarantees the full and prompt payment by Seller of any and all payments required to be made by Seller to Buyer in connection with this Agreement, including pursuant to Section 10 of this Agreement. This guarantee is an absolute and continuing guarantee; provided however, that this guarantee shall terminate at the end of the Indemnity Period. Guarantor waives any and all defenses and discharges it may have or otherwise be entitled to as a guarantor or surety hereunder and further waives presentment for payment or performance, notice of nonpayment or nonperformance, demand and protest. This guaranty is a guaranty of collection and not of payment, and Buyer is required to exhaust remedies against Seller before proceeding against Guarantor.

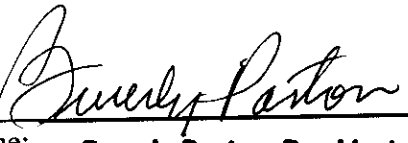
(b) Guarantor represents and warrants to Buyer that it has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Guarantor and, assuming the due authorization, execution and delivery of this Agreement by Buyer and Seller, this Agreement constitutes a legal, valid and binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

(c) Guarantor hereby consents to the assignment or transfer of control to Buyer of any assets included in the Assets that are in the name of Guarantor or a subsidiary of Guarantor.

*[END OF PAGE. SIGNATURES FOLLOW.]*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties and the Guarantor as of the date first above written.

**ALABAMA TELECASTERS, INC.**

By:   
Name: **Beverly Poston, President**  
Title:

**SAGAMOREHILL BROADCASTING,  
LLC**

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

**SAGAMOREHILL BROADCASTING  
OF ALABAMA, LLC**

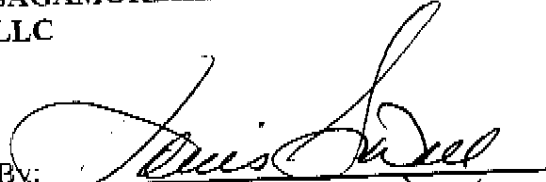
By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, this Agreement has been executed by the Parties and the Guarantor as of the date first above written.

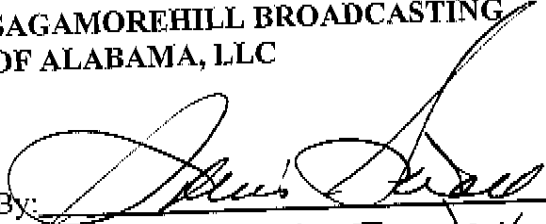
ALABAMA TELECASTERS, INC.

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

SAGAMOREHILL BROADCASTING,  
LLC

By:   
Name: Louis S. Wall  
Title: President

SAGAMOREHILL BROADCASTING  
OF ALABAMA, LLC

By:   
Name: Louis S. Wall  
Title: President