

ASSET PURCHASE AGREEMENT
DATED AS OF APRIL 20, 2018
BY AND AMONG
LIBERTY UNIVERSITY, INC. AND
MORNING STAR BROADCASTING, LLC,
&
GRAY TELEVISION GROUP, INC.
AND
GRAY TELEVISION LICENSEE, LLC

ASSET PURCHASE AGREEMENT (the “Agreement”) dated as of April 20 2018, by and among (i) Liberty University, Inc., a Virginia non-stock corporation (“Liberty”) and Morning Star Broadcasting, LLC, a Virginia limited liability company (“Liberty Licensee” and together with Liberty, the “Seller”), and (ii) Gray Television Group, Inc., a Delaware corporation (“GTGI”) and Gray Television Licensee, LLC, a Delaware limited liability company (“GTL” and together with GTGI, the “Purchaser”).

WHEREAS, Seller owns and operates television broadcast station WLHG-CD, Lynchburg, Virginia (the “Station”) pursuant to certain authorizations issued by the United States Federal Communications Commission (the “FCC”) to Seller;

WHEREAS, on November 21, 2017, Seller and Purchaser entered into a channel sharing and facilities agreement with respect to WFFP-TV, Danville, Virginia (“WFFP”) (the “Channel Share Agreement”);

WHEREAS, the Purchaser desires to purchase from the Seller, and the Seller desires to sell to the Purchaser, certain assets owned, used or held for use in the operation of the Station, excluding the Excluded Assets (as defined herein), and the Purchaser has agreed to assume certain liabilities of the Seller relating to the Station, all upon the terms and subject to the conditions set forth herein and in the Operative Agreements (as defined below) (such transactions sometimes being referred to herein as the “Transactions”);

WHEREAS, the prior consent of the FCC is required to permit the consummation of the assignment of the FCC Licenses (as defined below) to Purchaser;

WHEREAS, simultaneously with the execution and delivery of this Agreement, Seller and Purchaser are entering into a Shared Services Agreement (“SSA”) to be effective as of a date to be mutually agreed upon by Seller and Purchaser (provided, that, such date is no later than June 15, 2018); and

WHEREAS, pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Station Assets (as defined herein) that are owned, used or held for use in the operation of the Station, excluding the Excluded Assets (as defined herein), for the consideration and on the terms and conditions set forth herein; and

WHEREAS, the Seller and the Purchaser desire to make certain representations, warranties, covenants and agreements in connection with the Transactions, all as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, promises and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereto hereby agree as follows:

ARTICLE I. DEFINITIONS

1.1 Certain Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings set forth below:

(a) “Accounts Receivable” means all accounts receivable, notes receivable and other monies due to Seller for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions related to the Station attributable to the period prior to the Effective Time.

(b) “Action” means any claim, action, suit or proceeding, arbitral action, governmental inquiry, criminal prosecution or other investigation.

(c) “Affiliate” means, as applied to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with, that Person, or (ii) any director, partner, member, officer, manager, agent, employee or relative of such Person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling,” “controlled by,” and “under common control with”) as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities, by contract or otherwise.

(d) “Business Day” means any weekday (Monday through Friday) on which commercial banks in New York, New York are open for business.

(e) “Business Employee” means an employee who remains employed by the Seller immediately prior to the date hereof (whether actively or inactively), and each additional employee who is hired to work at the Station following the date hereof and prior to the Closing who remains employed by the Seller immediately prior to the Closing (whether actively or inactively).

(f) “Business Intellectual Property” means the Intellectual Property that is used or held for use by the Seller for the operation of the Station as currently conducted that is listed on Schedule 4.6.

(g) “Communications Act” means the Communications Act of 1934, as amended, any successor statute thereto, and all rules, regulations and published policies of the FCC promulgated thereunder.

(h) “Confidentiality Agreement” means the mutual non-disclosure agreement entered into by Seller and GTGI, dated February 26, 2018.

(i) “Contract” means any currently enforceable contract, agreement, non-governmental license, sales and purchase orders, indenture, note, bond, instrument, lease, conditional sales contract, mortgage, license, franchise agreement, concession agreement, security interest, guaranty, binding commitment or other agreement.

(j) “Encumbrance” means any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer (such as a right of first refusal or other similar right), defect of title, or other encumbrance of any kind or character.

(k) “Enforceability Exceptions” means the exceptions or limitations to the enforceability of Contracts under principles of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Law affecting creditors’ rights and relief of debtors generally, and rules of law and general principles of equity including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(l) “Equipment” means the items of tangible personal property owned or leased by the Seller and used or held for use by it in the operation of the Station (other than such items that are no longer in use as a result of obsolescence or having been replaced by other property) that are described on Schedule 4.5.

(m) “FCC Consent” means the actions of the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting the consent to the assignment of the FCC Licenses necessary for the assignment of the FCC Licenses to Purchaser.

(n) “FCC Licenses” means the FCC licenses, permits and other authorizations issued to Seller with respect to the Station identified in Schedule 4.12(a).

(o) “GAAP” means generally accepted accounting principles in the United States.

(p) “Governmental Authority” means any government, any governmental entity, department, commission, board, agency or instrumentality, and any court, tribunal, or judicial body, in each case whether federal, state, county, provincial, local or foreign.

(q) “Governmental Order” means any statute, rule, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.

(r) “Income Tax” means any federal, state, county, provincial, local or foreign income, business profits or other similar Tax, any withholding or estimated Tax related thereto, any interest and penalties (civil or criminal) thereon or additions thereto, and any expenses incurred in connection with the determination, settlement or litigation of any Liabilities related to any such Tax.

(s) “Independent Accounting Firm” means the professional accounting firm mutually agreed upon by Seller and Purchaser.

(t) “Intellectual Property” means any (i) patents, patent disclosures and related improvements, (ii) trademarks, service marks, trade dress, logos, trade names, call letters, corporate names and second-level domain names, along with any associated goodwill, (iii)

copyrights and copyrightable works, (iv) trade secrets and confidential business information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information), (v) registrations and applications to register any of the foregoing, if applicable, and (vi) rights to sue with respect to past and future infringements of any of the foregoing.

(u) “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

(v) “IRS” means the United States Internal Revenue Service, and any successor agency thereto.

(w) “Knowledge of the Seller,” “Seller’s Knowledge,” “known to the Seller” and phrases of similar import mean, with respect to any matter in question relating to the Seller, the actual knowledge of such matter by the named individuals listed in Schedule 1.1(w) hereto, after reasonable due inquiry.

(x) “Law” means, as in effect on any date of determination, applicable common law or any applicable statute, permit, ordinance, code or other law, rule, regulation or order enacted, adopted, promulgated or applied by any Governmental Authority, including any applicable Governmental Order.

(y) “Letter Agreement” means the Letter Agreement substantially in the form attached hereto as Exhibit J, which shall be duly executed by the Seller and Purchaser on the date hereof.

(z) “Liability” means any indebtedness, obligation and other liability (whether absolute, accrued, matured, contingent (or based upon any contingency), known or unknown, fixed or otherwise, or whether due or to become due), including, any fine, penalty, judgment, award or settlement respecting any judicial administrative or arbitration proceeding, damage, loss, claim or demand with respect to any Law.

(aa) “License” means any franchise, approval, permit, order, authorization, consent, license, registration or filing, certificate, variance and any other similar right obtained from or filed with any Governmental Authority.

(bb) “Material Adverse Effect” means any event, condition, change, occurrence, development, circumstance, effect or state of facts (each, an “Effect”) that, individually or in the aggregate with any such other Effect, would reasonably be expected to (a) prevent the Seller from consummating the Transactions or performing its obligations under this Agreement, or (b) be materially adverse to the assets, properties, operations, business, financial condition or results of operations of the Station, taken as a whole, except for any such Effect arising out of, resulting from or attributable to, directly or indirectly, individually or in the aggregate: (i) any federal, state, local or foreign governmental actions, including proposed or enacted legislation, regulatory changes or Law, except to the extent such changes disproportionately affect the Station (relative to other

participants in the broadcast television industry); (ii) changes in GAAP or regulatory accounting principles; (iii) actions taken with the Purchaser's written consent; (iv) conditions in the United States or global economy or capital, credit or financial markets generally, except to the extent such changes disproportionately affect the Station (relative to other participants in the broadcast television industry); (v) Effects generally applicable to the broadcast television industry, except to the extent such conditions disproportionately affect the Station (relative to other participants in the broadcast television industry); (vi) the ratings performance of any network with which a Station is affiliated; (vii) natural disasters, hostilities, acts of terrorism or war, or any material escalation of any such hostilities, acts of terrorism or war; (viii) the execution and delivery of this Agreement and the announcement of this Agreement and the Transactions contemplated hereby; or (ix) any Effect that results from any action taken at the express prior request of the Purchaser or with the Purchaser's prior consent or any action taken by the Purchaser under the SSA.

(cc) "MVPD" means any multi-channel video programming distributor, as that term is defined by the FCC as of the date of this Agreement.

(dd) "Organizational Documents" means, with respect to any Person (other than an individual), the articles or certificate of incorporation, bylaws, certificate of formation, limited liability company operating agreement, and all other organization documents of such Person.

(ee) "Operative Agreements" means, collectively, this Agreement, the Bill of Sale, the Assignment and Assumption, the Assignments and Assumptions for FCC Licenses, and any other agreement or deed delivered in connection with the Closing.

(ff) "Option Agreement" means the Option Agreement substantially in the form attached hereto as Exhibit A, which shall be duly executed by the Seller and Purchaser on the date hereof.

(gg) "Other Seller Stations" means any other station of Seller other than the Station.

(hh) "Permitted Encumbrances" means, as to any Station Asset, (A) liens for Taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith; (B) zoning laws and ordinances and similar Laws that are not materially violated by any existing improvement or that do not prohibit the use by Purchaser following the closing of the applicable assets subject thereto as currently used in the operation of the Station; (C) any rights reserved to any Governmental Authority to regulate the affected property (including restrictions stated in any permits); (D) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement, and (ii) any statutory lien for amounts that are not yet due and payable or that are being contested in good faith; (E) Encumbrances created by or through the Purchaser or any of its Affiliates; (F) minor defects of title, easements, rights-of-way, restrictions and other minor imperfections or irregularities in title that are reflected in the public records that do not individually or in the aggregate materially interfere with the right or ability to use the applicable assets as presently utilized; (G) Encumbrances that will be released or discharged prior to or as of the Closing; and (H) Encumbrances set forth on Schedule 1.1(hh).

(ii) “Person” means any individual, general or limited partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

(jj) “Program Rights” means the rights of the Station presently existing or obtained after the date of this Agreement and prior to the Closing in accordance with the terms of this Agreement and the Letter Agreement, to distribute television programs or shows as part of the programming, including all film and program barter agreements, news rights or service agreements and syndication agreements related to the Station, in each case, that are either (x) owned by Seller or (y) licensed to Seller.

(kk) “Real Property” means the Owned Real Property.

(ll) “Tax” means any federal, state, local or foreign income, gross receipts, sales, use, ad valorem, employment, severance, transfer, gains, profits, excise, franchise, property, capital stock, premium, minimum and alternative minimum or other taxes, fees, levies, duties, assessments or charges of any kind or nature whatsoever imposed by any Governmental Authority (whether payable directly or by withholding), together with any interest, penalties (civil or criminal), additions to, or additional amounts imposed by, any Governmental Authority with respect thereto, and any expenses incurred in connection with the determination, settlement or litigation of any Liability therefor.

(mm) “Tax Return” means a report, return or other information required to be supplied to a Governmental Authority with respect to any Tax.

(nn) “Trade Agreement” means any contract, agreement or commitment, oral or written, other than film and program barter agreements, pursuant to which the Seller has agreed to sell or trade commercial air time or commercial production services of the Station in consideration for any property or service in lieu of cash.

1.2 Certain Additional Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings ascribed thereto in the respective sections of this Agreement set forth opposite each such term below:

<u>Term</u>	<u>Section</u>
Accounts Receivable	1.1(a)
Action	1.1(b)
Affiliate	1.1(c)
Agreement	Preamble
Assignment and Assumption	3.2(a)(ii)
Assignment of FCC Licenses	3.2(a)(iv)
Assumed Liabilities	2.3(b)
Bill of Sale	3.2(a)(i)
Business Day	1.1(d)

<u>Term</u>	<u>Section</u>
Business Employee	1.1(e)
Business Insurance Policies	4.13
Business Intellectual Property	1.1(f)
Business License	2.1(g)
Business Licenses	2.1(g)
Cap	8.5(a)
Channel Share Agreement	Recitals
Closing	3.1(a)
Communications Act	1.1(g)
Confidentiality Agreement	1.1(h)
Contract	1.1(i)
Core Representations	8.1
Damages	8.2
Effect	1.1(bb)
Effective Time	3.1(a)
Electing Party	6.6(b)
Encumbrance	1.1(j)
Enforceability Exceptions	1.1(k)
Equipment	1.1(l)
Excluded Assets	2.2
Excluded Contracts	2.2(h)
Excluded Liabilities	2.3(c)
FAA	4.5
FCC	Recitals
FCC Applications	6.4(b)
FCC Consent	1.1(m)
FCC Licenses	1.1(n)
Final Order	3.1(a)
GAAP	1.1(o)
Governmental Authority	1.1(p)
Governmental Order	1.1(q)
GTGI	Preamble
GTL	Preamble
Income Tax	1.1(r)
Indemnified Party	8.4(a)
Indemnifying Party	8.4(a)
Indemnity Notice Period	8.4(b)
Independent Accounting Firm	1.1(s)
Intellectual Property	1.1(t)

<u>Term</u>	<u>Section</u>
Internal Revenue Code	1.1(u)
IRS	1.1(v)
Knowledge of the Seller	1.1(w)
Law	1.1(x)
Letter Agreement	1.1(y)
Liability	1.1(z)
Liberty	Preamble
Liberty Licensee	Preamble
License	1.1(aa)
Like-Kind Exchange	6.6(b)
Material Adverse Effect	1.1(bb)
Multi-Station Contract	2.7
Multi-Station Contract Obligations	2.7
Multi-Station Contract Rights	2.7
MVPD	1.1(cc)
Notice of Claim	8.4(a)
Operative Agreements	1.1(ee)
Option Agreement	1.1(ff)
Organizational Documents	1.1(dd)
Other Seller Stations	1.1(gg)
Owned Real Property	4.9(a)
Permitted Encumbrances	1.1(hh)
Person	1.1(ii)
Proceeds	6.10(a)
Program Payments	2.5(b)(i)
Program Rights	1.1(jj)
Prorations	2.6(a)
Purchase Price	2.4
Purchaser	Preamble
Purchaser Indemnified Party	8.3
Real Property	1.1(kk)
Required Consent	7.1(f)
Seller Indemnified Party	8.2
Seller(s)	Preamble
Seller's Knowledge	1.1(w)
SSA	Recitals
Station	Recitals
Station Assets	2.1
Station Contracts	2.1(c)

<u>Term</u>	<u>Section</u>
Tax	1.1(ll)
Tax Return	1.1(mm)
Third Party Claim	8.4(a)
Tower License Agreement	3.2(a)(iii)
Trade Agreement	1.1(nn)
Transaction Expenses	6.6(a)
Transactions	Recitals
Upset Date	9.1(a)(iii)
WFFP	Recitals

ARTICLE II. PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Station Assets. Upon the terms and subject to the conditions set forth herein, at the Closing, the Purchaser shall purchase from the Seller, and the Seller shall irrevocably sell, convey, transfer, assign and deliver to the Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances, all right, title and interest of the Seller in and to the following assets used or useful in the operation of the Station (the “Station Assets”):

- (a) the FCC Licenses and the Station’s call letters;
- (b) the Equipment that is “downstream” of master control primarily held for use by Seller in the transmission of programming by, and operations of, the Station and is listed and described on Schedule 4.5;
- (c) those contracts and agreements used in connection with the business and operation of the Station that are listed on Schedule 4.7(a) (the “Station Contracts”);
- (d) to the extent transferable by the Seller to the Purchaser, the Business Intellectual Property, subject to any restrictions on transfer or assignment, that is listed on Schedule 4.6;
- (e) all goodwill associated with the Station;
- (f) the books and records maintained by the Seller that are necessary to operate the Station in compliance with the FCC’s rules and regulations, including, but not limited to, the Station’s public file;
- (g) to the extent transferable by the Seller to the Purchaser, other than the FCC Licenses, those Licenses possessed by the Seller and used or held for use in the operation of the Station as currently conducted and all rights thereunder (each a “Business License” and, collectively, the “Business Licenses”);

(h) the prepaid expenses and charges attributable to the period prior to the Effective Time in respect of the Station and attributable to periods on or after the Effective Time, in each case, to the extent reflected in the Prorations set forth in Section 2.5(a); and

(i) to the extent assignable, all of the Seller's rights, claims, credits, causes of action or rights of set-off against third parties relating to the Station Assets, including claims pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors and other third parties in connection with products or services purchased by or furnished to the Seller for use in the Station or affecting any of the Station Assets.

2.2 Excluded Assets. Notwithstanding anything to the contrary herein, the Seller shall not convey, assign, or transfer to the Purchaser, and the Purchaser shall not acquire or have any rights to acquire, any rights or interests in or to any assets of Seller other than those set forth in Section 2.1 above (all such other assets, the "Excluded Assets"), which Excluded Assets shall include, but not be limited to, the following:

(a) all of Seller's rights to use the name "Liberty University," "Liberty University Flames," or any variation thereof, or any related logo, name or phrase;

(b) subject to the SSA, all cash, cash equivalents and securities of the Seller;

(c) all bank and other depository accounts of the Seller;

(d) all corporate, organizational or tax records and tax returns (other than those tax records and tax returns related to personal and property taxes with respect to the Station Assets) and minute books of the Seller or any affiliate of Seller;

(e) all refunds of Taxes;

(f) all Business Insurance Policies (including, without limitation, title insurance policies) or other insurance policies relating to the Station, any refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Station, and any claims made under any such insurance policies;

(g) subject to the SSA, the Accounts Receivable;

(h) any Station Contract (i) that is subject to Section 3.5 , unless and until consent to the assignment of such Station Contract is obtained pursuant to Section 3.5 (subject to obligations of the parties as set forth in Section 3.5), or (ii) that was entered into, renewed or amended after the date hereof in violation of Section 6.1; and any other Contract to which Seller is a party that is not a Station Contract listed on Schedule 4.7(a) (collectively, the "Excluded Contracts");

(i) all intercompany debts and other obligations due to the Seller from any Affiliates of the Seller;

(j) all rights of the Seller under this Agreement and the other Operative Agreements, the Purchase Price hereunder, any agreement, certificate, instrument or other

document executed and delivered by the Seller or the Purchaser in connection with the Transactions;

(k) any rights of the Seller relating to Business Employees;

(l) any other rights, liabilities and obligations of the Seller or relating to the Seller's rights and obligations under the SSA, the Channel Share Agreement, or the Letter Agreement; and

(m) any auction proceeds or rights thereto related to the spectrum sold by the Seller.

2.3 Assumption of Liabilities.

(a) Assumption. Upon the terms and subject to the conditions set forth herein and in addition to the Purchaser's assumption of the Seller's obligations specified under the SSA, at the Closing the Purchaser shall assume from the Seller (and thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms), and the Seller shall irrevocably convey, transfer and assign to the Purchaser, all of the Assumed Liabilities of the Seller.

(b) Assumed Liabilities. For all purposes of and under this Agreement, the term "Assumed Liabilities" shall mean, refer to and include (i) all Liabilities of the Seller under the Station Contracts validly assigned to Purchaser to the extent attributable to the periods at or after the Effective Time, (ii) all Liabilities of the Seller relating to the Station Assets arising during, or attributable to, any period of time at or after the Closing; (iii) Purchaser's obligations pursuant to Section 3.5; (iv) all Liabilities of the Seller to the extent included in the calculation of the Prorations; (v) the Multi-Station Contract Obligations pursuant to Section 2.7; (vi) all Liabilities allocated to Purchaser under the SSA; and (vii) all Liabilities of the FCC Licenses arising out of, or attributable to, any period of time after the Closing.

(c) Excluded Liabilities. The Purchaser shall not assume, and the term "Assumed Liabilities" shall not mean, refer to or include (and, therefore, the "Excluded Liabilities" shall consist of) all Liabilities not expressly assumed by the Purchaser, including the following:

(i) Liabilities for indebtedness for borrowed money of the Seller;

(ii) Liabilities for Taxes of the Seller or any of its Affiliates relating to the period prior to the Effective Time;

(iii) Liabilities of the Seller in respect of transaction costs payable by it pursuant to Section 6.6 hereof;

(iv) Liabilities of the Seller not arising out of or relating to the Station or the Station Assets;

(v) Liabilities of the Seller arising out of or relating to the Station or the Station Assets arising during, or attributable to, any period of time before the Closing (except to the extent included in the calculation of the Prorations) including any Liabilities that could be

asserted by the FCC against the Station with respect to the complaints which are covered by the tolling agreement(s), if any, referenced in Section 6.4(c);

(vi) Liabilities to any Affiliate of the Seller;

(vii) Liabilities related to any asset of Seller not included within the Station Assets;

(viii) any Liability for Taxes payable with respect to Seller's transfer of the Station Assets to Purchaser and Seller's consummation of the other transactions contemplated by this Agreement, except to the extent of Purchaser's obligation to pay such Liability under Section 6.6;

(ix) Liabilities under any Excluded Contract, except to the extent of Purchaser's obligation to pay such Liability under Section 3.5 of this Agreement; and

(x) All Liabilities of Seller arising under this Agreement and any and all other Operative Agreements.

2.4 Consideration for Station Assets. The aggregate consideration for the Station Assets and the execution of the SSA and Option Agreement shall be (i) \$50,000 subject to adjustment as provided in Section 2.5 and the SSA (as so adjusted, the "Purchase Price"), (ii) the assumption by the Purchaser of the Assumed Liabilities (on the terms and conditions specified herein), and (iii) execution of the Letter Agreement. The Purchaser shall pay the Purchase Price determined pursuant to Section 2.5 at the Closing by wire transfer in immediately available funds to an account(s) designated by Seller.

2.5 Proration.

(a) General Allocation Principles. Subject to the SSA and the Letter Agreement, except as otherwise provided in Section 2.5(b) and 2.5(c), the ownership and operation of the Station Assets, and the revenues, expenses, and liabilities attributable thereto, including power and utilities charges, rents and income, and other accruing, prepaid and deferred items and amounts under Station Contracts (without duplication of any reimbursement under the SSA), will be prorated between Seller and Purchaser in accordance with the following principles and in accordance with GAAP:

(i) Seller will be allocated with respect to the Station all revenues earned, accrued, or allocable to, and all expenses, costs and liabilities incurred in or allocable to, the period prior to the Effective Time,

(ii) Purchaser will be allocated with respect to the Station all revenues earned, accrued or allocable to, and all expenses, costs and liabilities incurred in or allocable to, the periods at or after the Effective Time;

(iii) (a) If, at the Effective Time, any Trade Agreement has an aggregate *negative* balance (i.e., the amount by which the value of air time the Station is obligated to provide after the Effective Time exceeds the fair market value of corresponding goods and services to be

received by the Station after such time), there shall be no proration or adjustment therefor, unless the aggregate negative balance of the Station's Trade Agreements exceeds \$10,000, in which event only such excess shall be treated as prepaid time sales of the Station, and adjusted for as a proration in Purchaser's favor; and (b) if at the Effective Time, any Trade Agreement has an aggregate *positive* balance (i.e., the amount by which the value of air time the Station is obligated to provide after the Effective Time is less than the fair market value of corresponding goods and services to be received by the Station after such time), there shall be no proration or adjustment therefor, unless the aggregate positive balance of the Station's Trade Agreements exceeds \$10,000, in which event only such excess shall be treated as prepaid goods or services for the Station and adjusted for as a proration in Seller's favor;

(iv) Seller shall remain or be solely (as between Seller and Purchaser) liable with respect to the Excluded Liabilities whether arising before or after the Closing; and

(v) At the Closing, the Purchase Price will be increased or decreased, as appropriate, in order to give effect to this Section 2.5, based on the estimate described in Section 2.6.

(b) Treatment of Program Liabilities. Notwithstanding Section 2.5(a), as between Purchaser and Seller, subject to the SSA:

(i) Seller will be allocated all obligations to make cash payments of license and usage fees pursuant to any Contract for Program Rights ("Program Payments") that first become due and payable under the terms of such Contract for Program Rights prior to the first day of the applicable payment period that includes the Closing;

(ii) Purchaser will be allocated all obligations to make Program Payments that first become due and payable under the terms of any applicable Contract for Program Rights after the last day of the applicable payment period that includes the Closing; and

(iii) with respect to Program Payments that first become due and payable under the terms of any applicable Contract for Program Rights during the applicable payment period that includes the Closing: (A) Seller will be allocated all obligations to make a portion of each such Program Payment that is equal to a fraction, the numerator of which is the number of days (if any) during such applicable payment period that are prior to the Closing and the denominator of which is the total number of days during such applicable payment period, and (B) Purchaser will be allocated obligations to make the remaining portion of such Program Payments.

(c) Billing and Collection of Station's Receivables.

(i) As of the Closing and subject to the terms of the SSA, Seller appoints Purchaser as Seller's agent, without compensation but without liability except for fraud or willful misconduct, to collect the Accounts Receivable for Seller's account. Purchaser shall issue invoices (in accordance with Purchaser's standard billing procedures) for time sold and provided on the Station prior to the Effective Time, and remit to Seller all amounts collected in respect of Accounts Receivable as follows: (a) on or before the twentieth (20th) day of the first (1st) complete calendar month after the Closing, Purchaser shall pay all amounts collected after the Effective Time and up to the end of the prior month; and (b) on or before the twentieth (20th) day

of each succeeding month, pay all amounts collected during the month prior thereto. With each remittance, Purchaser shall furnish a statement of the amounts collected, the Persons from whom such amounts were collected and the invoice numbers of the invoices to which such amounts relate to the extent specified by the related debtors. Purchaser shall apply all amounts it receives from or for the benefit of any Account Receivable debtor first to pay the oldest undisputed Accounts Receivable of such debtor before applying any of such amounts to pay any obligation of such debtor to Purchaser arising during, or otherwise attributable to, the period after the Closing unless the remittance or an Account Receivable debtor specifies otherwise (in which case, Purchaser will apply the amount in question as so specified).

(ii) Purchaser's agency to collect the Accounts Receivable shall expire as of 11:59 p.m., Danville, Virginia time, on the one hundred eightieth (180th) day following the Closing (or, if such date is not a Business Day, then on the Business Day thereafter). Within fifteen (15) Business Days thereafter, Purchaser shall pay to Seller all amounts collected in respect of the Accounts Receivable from the Closing until the date thereof not previously remitted. During such 180-day period, Purchaser shall use commercially reasonable collection efforts to collect the Accounts Receivable, but shall not be required to institute any legal proceedings to collect the Accounts Receivable or to otherwise incur any cost or obligation in respect thereof other than in the ordinary course of business. Upon expiration of the agency, Purchaser shall assign all Accounts Receivable that have not been collected or received to Seller for Seller's collection and the parties expressly agree that Purchaser shall have no further obligation whatsoever with respect to any such assigned Accounts Receivable (except to pay Seller any additional money that Purchaser receives from any Person with respect to any such assigned Accounts Receivable after the date of such remittance to Seller and to otherwise cooperate with Seller for the purpose of Seller's collecting any outstanding Accounts Receivable).

2.6 Adjustment Procedures. The adjustments specified in Section 2.5 shall be determined in accordance with the following procedures:

(a) Estimate for Closing. Seller shall, no later than three (3) Business Days prior to the scheduled Closing, prepare and deliver to Purchaser a good faith estimate of the prorations and adjustments to the Purchase Price that are required in order to give effect to Section 2.5 (the "Prorations").

(b) Post-Closing Adjustment.

(i) As promptly as possible after the Closing, but in any event not later than ninety (90) days after the Closing, Purchaser shall deliver to Seller a statement setting forth Purchaser's determination of the Prorations. In connection with Seller's review of such determination, Purchaser will furnish Seller with such information as may be reasonably requested by Seller. If Seller disputes the amount of the Prorations determined by Purchaser, Seller shall deliver to Purchaser within thirty (30) days after Seller's receipt of Purchaser's statement, a statement setting forth Seller's determination of the Prorations. If Seller notifies Purchaser of its acceptance of Purchaser's statement, or if Seller fails to deliver its statement within the period specified in the preceding sentence, Purchaser's determination of the Prorations shall be conclusive and binding on the parties as of the last day of the thirty (30) day period.

(ii) Seller and Purchaser shall use good faith efforts to resolve any dispute involving the determination of the Prorations. If the parties do not resolve the dispute within thirty (30) days following the delivery of Seller's statement pursuant to Section 2.6(b)(i), Seller and Purchaser shall jointly designate the Independent Accounting Firm to resolve the dispute. The Independent Accounting Firm's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of the Independent Accounting Firm incurred under this Section 2.6(b)(ii) shall be split equally between Seller on one hand and Purchaser on the other hand.

(iii) Final settlement of the Prorations, in cash, will be made no later than the fifth (5th) Business Day after the value of the Prorations are finally determined pursuant to this Section 2.6. If the Purchaser owes money to the Seller as part of the Prorations, then the Purchaser shall pay the Seller such amount, and, if the Seller owes money to the Purchaser per the Prorations, then the Seller shall pay such amount to the Purchaser.

2.7 Multi-Station Contracts. The rights of each Other Seller Station with respect to any Multi-Station Contract and the obligations of each Other Seller Station to any such Multi-Station Contract shall not be assigned to and assumed by Purchaser (and shall be excluded from the Station Assets and shall be an Excluded Liability, as the case may be). For purposes hereof, "Multi-Station Contract" means each Station Contract designated as a "Multi-Station Contract" on Schedule 2.7. Subject to the provisions of this Section 2.7, to the extent that a Multi-Station Contract expressly permits the assignment of the rights and obligations of the Station (and not the Other Seller Station(s)) or the third party to such Multi-Station Contract consents to the assignment of rights and obligations of the Station (and not the Other Seller Station(s)), the Station Assets shall include those rights to the extent relating to the Station to the extent attributable to the period at or after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of such Multi-Station Contract (such rights, the "Multi-Station Contract Rights"), and the Assumed Liabilities shall include those obligations to the extent relating to the Station to the extent attributable to the period at or after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of each such Multi-Station Contract (such obligations, the "Multi-Station Contract Obligations"). Subject to the provisions of this Section 2.7, to the extent that a Multi-Station Contract does not expressly permit the assignment of the rights and obligations of the Station (and not the Other Seller Stations) or the third-party consent is not so obtained, the Multi-Station Contract Obligations shall only include those obligations to the extent relating to the Station to the extent attributable to the period at or after the Effective Time under a Multi-Station Contract to the extent that the corresponding Multi-Station Contract Rights are received by Purchaser. All rights and obligations that arise under a Multi-Station Contract other than the Multi-Station Contract Rights and the Multi-Station Contract Obligations shall in all cases be excluded from the Station Assets and shall be Excluded Liabilities. Subject to any applicable third-party consents, authorizations, approvals, waivers or notices, such assignment of the Multi-Station Contract Rights and the Multi-Station Contract Obligations shall be effectuated, at the election of the Seller, by termination of the Multi-Station Contract in its entirety and the execution of new contracts (with terms no less favorable to Purchaser, and a term not longer, than the current Multi-Station Contract, in all material respects) or by an assignment to and assumption by Purchaser of the Multi-Station Contract Rights and the Multi-Station Contract Obligations under such Multi-Station Contract. The parties shall use commercially reasonable efforts to obtain any such new contracts or assignments to, and assumptions by, Purchaser in accordance with this Section 2.7.

and Section 3.5. If a Multi-Station Contract that is a retransmission agreement is anticipated in good faith by Seller and Purchaser to expire or terminate prior to the Closing, Seller and Purchaser shall use commercially reasonable efforts to renew the Multi-Station Contract Rights and the Multi-Station Contract Obligations with respect to each such Multi-Station Contract or enter into a new contract on terms reasonably acceptable to Purchaser solely with respect to the Station.

2.8 Entry into Shared Services Agreement, Option Agreement, and Letter Agreement. Simultaneously with entering into this Agreement, the parties shall enter into the SSA and the Option Agreement and the Letter Agreement.

ARTICLE III. THE CLOSING

3.1 Time and Place.

(a) Closing. Subject to the satisfaction or waiver of all conditions set forth in Section 7.1 and Section 7.2 herein, the consummation of the acquisition of the Station Assets shall (a) take place at a closing (the “Closing”) to be held at 10:00 a.m., New York time, on the date which is the fifth Business Day after satisfaction and fulfillment or, if permissible pursuant to the terms hereof, waiver of the conditions set forth in Sections 7.1 and 7.2, other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing, (b) the date upon which the FCC Consent (as defined below) shall have been granted and shall be in full force and effect and shall have become a Final Order (as defined below); provided, however, that Purchaser in its sole discretion and upon at least five (5) days prior written notice to Seller may waive the requirement that the FCC Consent become a Final Order, in which event, the date described in clause (a) above will be the date upon which public notice of the grant of the FCC Consent is made by the FCC, and (c) be held by the exchange of signed documents by e-mail, in each case, unless another time, date or place is mutually agreed upon in writing by the Seller and the Purchaser. The Closing shall be effective as of 12:01 a.m., local Danville, Virginia time, on the Closing (the “Effective Time”). For purposes of this Agreement, “Final Order” means an action by the FCC (x) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (y) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or sua sponte review by the FCC is pending; and (z) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

3.2 Closing Deliveries of the Seller at the Closing. At the Closing, the Seller shall deliver, or cause to be delivered, to the Purchaser the following (which in the case of any instruments, certificates and other documents shall be dated as of the Closing and executed or acknowledged (as applicable) on behalf of the Seller by a duly authorized officer thereof), in order to consummate the Transactions, including the transfer of the Station Assets to the Purchaser pursuant to Section 2.1 hereof:

(a) Instruments of Transfer and Assignment.

(i) A bill of sale conveying the Station Assets to Purchaser, substantially in the form attached hereto as Exhibit B (the “Bill of Sale”);

(ii) an instrument of assignment and assumption conveying the Station Contracts to Purchaser, substantially in the form attached hereto as Exhibit C (the “Assignment and Assumption”);

(iii) a tower license agreement with respect to the Owned Real Property (as defined in Section 4.9), substantially in the form attached hereto as Exhibit D (the “Tower License Agreement”);

(iv) an assignment of the FCC Licenses conveying the FCC Licenses to Purchaser, substantially in the form attached hereto as Exhibit E (the “Assignment of FCC Licenses”); and

(v) such other instruments of transfer as the Purchaser may reasonably request to convey any Station Assets to the Purchaser.

(b) Closing Certificates and Other Documents.

(i) An officer’s certificate to be delivered by the Seller substantially in the form attached hereto as Exhibit F, which shall certify as to the satisfaction of the conditions set forth in Sections 7.1(a) and 7.1(b) hereof;

(ii) an secretary’s or assistant secretary’s certificate to be delivered by the Seller substantially in the form attached hereto as Exhibit G;

(iii) the Letter Agreement to be delivered by the Seller substantially in the form attached hereto as Exhibit J; and

(iv) a certificate of the Seller certifying as to its non-foreign status which complies with the requirements of Section 1445 of the Internal Revenue Code.

3.3 Closing Deliveries of the Purchaser at the Closing. At the Closing, the Purchaser shall make the payment and deliver, or cause to be delivered, to the Seller the following (which in the case of any instruments, certificates and other documents shall be dated as of the Closing and executed or acknowledged (as applicable) on behalf of the Purchaser by a duly authorized officer thereof) in order to pay for the Station Assets and effect the assumption of all Assumed Liabilities from the Seller pursuant to Section 2.3 hereof:

(a) Purchase Price. The Purchase Price.

(b) Instruments of Assumption.

(i) The Assignment and Assumption;

(ii) the Assignment of FCC Licenses;

(iii) the Tower License Agreement; and

(iv) all other instruments and certificates of assumption, as the Seller may reasonably request in order to effectively make the Purchaser responsible for all Assumed Liabilities.

(c) Closing Certificates and Other Documents.

(i) An officer's certificate substantially in the form attached hereto as Exhibit H, which shall certify as to the satisfaction of the conditions set forth in Sections 7.2(a) and 7.2(b) hereof;

(ii) The Letter Agreement; and

(iii) a secretary's or assistant secretary's certificate substantially in the form attached hereto as Exhibit I.

3.4 Further Assurances. At and after the Closing, and without further consideration therefor, (i) the Seller shall execute, or arrange for the execution of, and deliver to the Purchaser such further instruments and certificates of conveyance and transfer as the Purchaser may reasonably request in order to more effectively convey and transfer the Station Assets from the Seller to the Purchaser in accordance with the terms of this Agreement and (ii) the Purchaser shall execute, or shall arrange for the execution of, and deliver to the Seller such further instruments and certificates of assumption, novation and release as the Seller may reasonably request in order to effectively make the Purchaser responsible for all Assumed Liabilities in accordance with the terms of this Agreement.

3.5 Assignment of Station Contracts and Business Licenses. To the extent that the transfer or assignment hereunder by the Seller to the Purchaser of any Station Contract or Business License is not permitted or is not permitted without the consent or approval of another Person, any such Station Contract or Business License shall not be assigned by the Seller to Purchaser at the Closing if such consent or approval is not given or obtained by the Closing. The Seller and the Purchaser shall use their commercially reasonable efforts to obtain any and all such third party consents or approvals under all Station Contracts or Business License; provided, however, that neither the Seller nor the Purchaser shall be required to pay or incur any cost or expense to obtain any third-party consent or approval that it is not otherwise required to pay or incur in accordance with the terms of the applicable Station Contract or Business License, except for usual and customary legal fees and expenses. If any such third-party consent or approval for the assignment or transfer of a Station Contract or Business License is not obtained before the Closing, the Seller shall cooperate with the Purchaser in any commercially reasonable arrangement designed to provide for the Purchaser after the Closing the benefits intended to be assigned to the Purchaser under the applicable Station Contract or Business License, including enforcement at the cost and for the account of the Purchaser of any and all rights of the Seller against the other party thereto arising out of the breach thereof by such other party or otherwise; provided, that the Purchaser shall (i) undertake to pay or satisfy the corresponding Liabilities for the enjoyment of such benefit to the extent that the Purchaser would have been responsible therefor hereunder if such consent, waiver or approval had been obtained and (ii) indemnify and hold harmless the Seller and its

Affiliates for any costs, expenses or Liabilities (including legal fees and expenses) incurred by them in connection with the enforcement of such Station Contract at the request of the Purchaser. Upon receipt of any such third-party consent or approval after the Closing, the applicable Station Contract or Business License shall be automatically assigned to, and assumed by, the Purchaser on the terms hereof without further action by the Purchaser or the Seller.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Purchaser as follows:

4.1 Organization. Seller is duly organized or incorporated, as applicable, validly existing and in good standing under the Laws of the Commonwealth of Virginia, as applicable, with all requisite limited liability company or corporate power and authority, as applicable, to own, operate or lease the Station Assets as now owned, operated or leased by it, and to conduct the Station operations as presently conducted by it, and is qualified to do business in each jurisdiction in which such Station Assets are located.

4.2 Authority. Seller has all requisite limited liability company or corporate power and authority, as applicable, to enter into and deliver this Agreement and the Operative Agreements to which Seller is a party, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution and delivery by the Seller of this Agreement and the Operative Agreements to which it is a party, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the Transactions, have been duly authorized by all necessary limited liability company or corporate action, as applicable, on the part of Seller. This Agreement has been, and the Operative Agreements to which Seller is a party at the applicable Closing shall be, duly executed and delivered by Seller. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by the Purchaser, this Agreement constitutes, and each of the Operative Agreements to which Seller is a party (when so executed and delivered) will constitute, a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

4.3 No Violation; Third Party Consents. Assuming that all consents, waivers, approvals, orders and authorizations described in Section 4.4 hereto have been obtained and all notifications, registrations, qualifications, designations, declarations or filings with any Governmental Authorities described in Section 4.4 hereto have been made, and, except as set forth in Schedule 4.3 hereto, the execution and delivery by the Seller of this Agreement and the Operative Agreements to which Seller is a party, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the Transactions, will not conflict in any material respect with or violate in any material respect, constitute a material default (or event which with the giving of notice or lapse of time, or both, would constitute a material default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any material obligation or loss of any material benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the Station Assets pursuant to, or require the Seller to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result of or under, the terms and provisions of (i) the

Organizational Documents of the Seller, (ii) any Station Contract listed on Schedule 4.7(a) (or required to be listed thereon), or (iii) any Law applicable to the Seller or any of the Station Assets, or any Governmental Order issued by a Governmental Authority by which Seller or any of the Station Assets is bound or obligated.

4.4 Government Consents. Except as set forth in Schedule 4.4 hereto, no material consent, waiver, approval, order or authorization of, or notification, registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Seller in connection with the execution and delivery by the Seller of this Agreement and the Operative Agreements to which Seller is a party, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the Transactions except the FCC Consent.

4.5 Equipment. Schedule 4.5 contains an accurate and complete list of all the Equipment owned or leased by Seller as of the date hereof that is “downstream” of master control and is held primarily for use by Seller in the transmission of programming by, and operations of, the Station. Seller has good and marketable title to or a valid leasehold interest in, or otherwise has the right to use, all items of Equipment listed on Schedule 4.5, free and clear of all Encumbrances except for Permitted Encumbrances. Except as specified on Schedule 4.5, all Equipment is (i) in reasonable operating condition and repair, subject to normal wear and tear, adequate for its current use, and available for use, in the operation of the Station and the conduct of the Station as presently conducted, and (ii) maintained in material compliance with good engineering practice, industry practice and in material compliance with all applicable Federal Aviation Administration (“FAA”) and FCC rules and policies. Except for the Excluded Assets, the Station Assets are all of the assets necessary to operate in all material respect the Station as presently operated by the Seller.

4.6 Intellectual Property and Proprietary Rights. Schedule 4.6 sets forth a list of Business Intellectual Property that Seller is to transfer to Purchaser and sets forth the owner and nature of the interest of the Seller therein.

(a) To the extent set forth on Schedule 4.6, and except as would not reasonably be expected to have a Material Adverse Effect, the Seller is the owner of all right, title and interest in and to each item of Business Intellectual Property listed on Schedule 4.6 and/or has the right to use such Business Intellectual Property in connection with the operation of the Station as currently conducted.

(b) (i) To the Knowledge of the Seller, the use of the Business Intellectual Property listed on Schedule 4.6 in connection with the operation of the Station as currently conducted does not infringe or otherwise conflict with the Intellectual Property rights of any Person and (ii) no material claim is pending or, to the Knowledge of the Seller, has been threatened in writing with respect to the use of the Business Intellectual Property in connection with the operation of the Station as currently conducted.

(c) To the Knowledge of the Seller, (i) none of the Business Intellectual Property listed on Schedule 4.6 owned by the Seller is being materially infringed, nor (ii) is such

Business Intellectual Property being materially used or available for use by any Person other than the Seller.

4.7 Station Contracts.

(a) Schedule 4.7(a) hereto contains a list of the Station Contracts of the Seller included in the Station Assets other than (i) any oral or written Contract involving less than \$10,000 for the purchase or sale of goods, supplies, equipment, capital assets, products or services (other than Contracts for the purchase of programming); (ii) any Station Contracts for advertising on the Station; and (iii) any service contracts terminable by the Seller on no more than 60 days' notice. Notwithstanding the foregoing provisions of this Section 4.7(a), the aggregate amount of all payments to or by Seller under Station Contracts included in the Station Assets which are not listed on Schedule 4.7(a) does not exceed \$30,000. Without limiting the obligation of Seller under Section 6.10, Seller, by written notice to Purchaser, may update Schedule 4.7(a) at any time before the Closing to (i) add any contract, agreement or lease entered into by Seller after the date of this Agreement and before the Closing that would have qualified as a Station Contract if it had been in effect on the date of this Agreement, (ii) subject to Purchaser's consent with respect to any Station Contract that would have been required to be listed on Schedule 4.7(a) at signing and is not reflected in the statement of operations for the Station, add any contract, agreement or lease entered into by Seller before the date of this Agreement that was unintentionally omitted from the original Schedule 4.7(a), and (iii) remove any Station Contract that after the date of this Agreement and before the Closing has expired or been terminated in compliance with the terms of this Agreement, including Section 6.10. All such contracts, agreements and leases that are so added to Schedule 4.7(a) in accordance with this paragraph shall, for all purposes of this Agreement, be deemed to be Station Contracts and included in the Station Assets. All Station Contracts that are so removed from Schedule 4.7(a) in accordance with the terms and conditions of this Agreement, including Section 6.10, shall, for all purposes of this Agreement, thereafter be deemed to be Excluded Assets and shall cease to be Station Contracts and shall no longer be included in the Station Assets.

(b) Except as set forth in Schedule 4.7(b) hereto (i) each Station Contract listed on Schedule 4.7(a) represents a valid, binding and enforceable obligation of the Seller in accordance with the respective terms thereof and, to the Seller's Knowledge, represents a valid, binding and enforceable obligation of each of the other parties thereto, except, in each case, as such enforceability may be limited by the Enforceability Exceptions, (ii) neither Seller, and to the knowledge of Seller, nor any other party is in material breach or default under any Station Contract listed on Schedule 4.7(a), (iii) as of the date hereof no outstanding notice of default has been sent or received under any Station Contract listed on Schedule 4.7(a), and (iv) true, correct and complete copies of such Station Contracts listed on Schedule 4.7(a) have been made available to the Purchaser. Station is carried pursuant to must-carry or retransmission consent on material MVPDs as specified in Schedule 4.7(c).

4.8 Business Licenses. Seller owns or possesses all right, title and interest in and to all FCC Licenses and all other Business Licenses which are necessary for it to conduct the operations of the Station substantially as currently conducted. Schedule 4.8 hereto contains a list of all Business Licenses of the Seller included in the Station Assets. No loss or expiration of any such Business License has occurred, is pending or, to the Knowledge of the Seller, has been threatened in writing, other than (a) the expiration of any such Business License in accordance with the terms

thereof which may be renewed in the ordinary course of business, or (b) the expiration of the terms of the Business Licenses that remain in effect by operation of law pending disposition of pending renewal applications.

4.9 Real Property.

(a) Schedule 4.9(a) lists the address and owner of the parcel of real property owned by Seller where the tower and adjacent transmission building used or held for use in connection with the Station (“Owned Real Property”) is located. Seller has good and marketable fee simple title to the Owned Real Property, together with all Improvements thereon, free and clear of Encumbrances, other than Assumed Liabilities, Permitted Encumbrances and encumbrances that would not reasonably be expected to have a Material Adverse Effect. Seller is not obligated under and is not a party to any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Owned Real Property or any portion thereof or interest therein.

(b) To Seller’s Knowledge, all of the Real Property has access to public roads or streets, and all utilities and services necessary for the proper and lawful conduct in all material respects and operation of the Station as now conducted by Seller. To Seller’s Knowledge, there does not exist any actual or threatened condemnation or eminent domain proceedings, planned public improvements, annexation, special assessments, zoning or subdivision changes, or other adverse claims affecting the Real Property, and, as of the date hereof, the Seller has not received any written notice of the intention of any Governmental Authority or other Person to take or use all or any part thereof.

(c) To Seller’s Knowledge, except as set forth on Schedule 4.9(c): (i) there is no private restrictive covenant or governmental use restriction (including zoning) on all or any portion of the Real Property that prohibits or materially interferes with the current use by Seller of the Real Property; and (ii) all material permits required for the occupancy and operation of Real Property as presently being used by the Seller have been obtained and are in full force and effect in all material respects, and, as of the date hereof, the Seller has not received any notices of material default or material violations in connection with such items. To the Knowledge of Seller, no additional approvals, permits or licenses will be required to be issued after the date hereof in order to permit Purchaser, following the Closing, to continue to operate the Station on the Real Property in the same manner as Seller, other than any such approvals, permits or licenses that are ministerial in nature and are normally issued in due course upon application therefore without further action by the applicant.

4.10 Litigation; Governmental Orders.

(a) Except as set forth in Schedule 4.10 or Schedule 4.12(b) hereto, there are no pending or, to the Knowledge of the Seller, threatened (in writing) Actions by any Person or Governmental Authority against or relating to the Seller with respect to the Station or to which any of the Station Assets are subject.

(b) The Seller is not subject to or bound by any Governmental Order, other than those generally applicable to broadcast television stations.

4.11 Compliance with Laws. Except as set forth in Schedule 4.11 hereto, the Seller is in compliance in all material respects with all Laws and Governmental Orders applicable to the Station.

4.12 FCC/FAA Matters; Qualifications.

(a) Schedule 4.12(a) contains a list of the FCC Licenses and a list, as of the date hereof, of the material pending FCC applications held by Seller for use in the operation of the Station. Except as set forth on Schedule 4.12(a), such FCC Licenses are in full force and effect, and, to the Seller's Knowledge, such FCC Licenses are not subject to any adverse conditions, except for those conditions appearing on the face of the FCC Licenses and conditions applicable to broadcast television licenses generally.

(b) Except as set forth on Schedule 4.12(b), (i) the Station is being operated in compliance in all material respects with the rules and regulations of the FAA, the Communications Act and the FCC Licenses with respect to the operation of the Station and (ii) the Seller has filed or made all material applications, reports, and other disclosures required by the FCC or the FAA to be made in respect of the Station and have or will have at the Closing timely paid all regulatory fees then due and owing in respect thereof. Except as set forth in Schedule 4.12(b), to the Knowledge of the Seller, as of the date hereof, there are no complaints, investigations, proceedings or other Actions pending or threatened in writing before the FCC with respect to the FCC Licenses, other than proceedings affecting the broadcast television industry generally. Except as set forth on Schedule 4.12(b), the Seller is legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder, to be the licensee and to own and operate the Station and to enter into the SSA.

4.13 Insurance. The Seller maintains insurance in respect of the Station Assets and the Station covering such risks, in such amounts, with such terms and with such insurers as the Seller has determined is appropriate in light of the Station and consistent in all material respects with industry practice (such insurance, the "Business Insurance Policies"). Schedule 4.13 hereto sets forth, as of the date hereof, a true and correct list of all Business Insurance Policies, all of which are in full force and effect in all material respects as of the date hereof.

4.14 Taxes. The Seller has filed, or caused to be filed, with the appropriate Governmental Authorities, all required 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 an Encumbrance on the Station Assets after the Closing, or in the imposition of transferee liability on Purchaser for the payment of such Taxes. To the Knowledge of Seller, there are no proceedings pending pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Purchaser as transferee of the Station Assets or as operator of the Station following the Closing.

4.15 Transactions with Affiliates. Except as disclosed on Schedule 4.15, the Seller is not currently a party to any contract with any Affiliate of the Seller, or directors or officers of any such Affiliates that is a Station Asset.

4.16 Brokers. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of the Seller in connection with this Agreement or the Transactions or is entitled to any payment in connection herewith or therewith.

4.17 Environmental Matters. Except as disclosed on Schedule 4.17, (a) to the Knowledge of the Seller, the Real Property is in compliance in all material respects with all applicable law, order, regulation, decree, permit, license, ordinance, or other federal, state, county, provincial, local or foreign governmental requirements relating to pollution, the protection of human health and the environment, or spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of petroleum, petroleum by-products, polychlorinated biphenyls and 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 into the environment applicable to the Owned Real Property.

4.18 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS ARTICLE IV, OR ANY SCHEDULE, CERTIFICATE OR OTHER DOCUMENT DELIVERED BY THE SELLER PURSUANT TO THIS AGREEMENT, INCLUDING THE OTHER OPERATIVE AGREEMENTS, THE SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, INCLUDING, ANY WARRANTY OF TITLE, MERCHANTABILITY OR FITNESS OF ANY ASSET FOR A PARTICULAR PURPOSE OR WITH RESPECT TO ANY PROJECTIONS OR FUTURE FINANCIAL OR OPERATIONAL PERFORMANCE OF THE STATION, ITS BUSINESS, OR THE STATION ASSETS.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller as follows:

5.1 Organization. The Purchaser is duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of the State of Delaware.

5.2 Authority. The Purchaser has all requisite limited liability company or corporate power and authority, as applicable, to enter into and deliver this Agreement and the Operative Agreements to which it is a party, to perform its obligations hereunder and thereunder, to consummate the Transactions, and to assume and perform the Assumed Liabilities. The execution and delivery by the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, have been duly authorized by all necessary requisite limited liability company or corporate action, as applicable, on the part of the Purchaser. This Agreement has been, and the Operative Agreements to which the Purchaser is a party shall be, duly executed and delivered by the Purchaser. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by the Seller, this Agreement constitutes, and each of the Operative Agreements to which the Purchaser is a party (when so executed and delivered) will constitute, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in

accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

5.3 No Violation; Third Party Consents. Assuming that all consents, waivers, approvals, orders and authorizations described in Section 5.4 hereto have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities described in Section 5.4 hereto have been made, the execution and delivery by the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, will not conflict with or violate, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any obligation or loss of any benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the assets or properties of the Purchaser pursuant to, or require the Purchaser to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result or under, the terms or provisions of (i) the organizational documents of the Purchaser, (ii) any Contract to which the Purchaser is a party or is bound, or (iii) any Law applicable to the Purchaser, or any Governmental Order issued by a Governmental Authority by which the Purchaser is in any way bound or obligated, except, in the case of clauses (ii) and (iii) of this Section 5.3, as would not have a Material Adverse Effect on the ability of the Purchaser to perform its obligations under this Agreement and the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.4 Governmental Consents. No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Purchaser in connection with the execution and delivery by the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, the assumption and performance of the Assumed Liabilities, except (i) the FCC Consent and (ii) where the failure to obtain such consent, waiver, approval, order or authorization, or to make such registration, qualification, designation, declaration or filing, would not, individually or in the aggregate, have a Material Adverse Effect on the ability of the Purchaser to perform its obligations under this Agreement, the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.5 Litigation. There are no pending or, to the knowledge of the Purchaser, threatened Actions by any Person or Governmental Authority against or relating to the Purchaser (or any Affiliate of the Purchaser) or by which the Purchaser or its assets or properties are or may be bound which, if adversely determined, would have a Material Adverse Effect on the ability of the Purchaser to perform its obligations under this Agreement and the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.6 Brokers. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of the Purchaser in connection with this Agreement or the Transactions or is entitled to any payment in connection herewith or therewith.

5.7 FCC Qualifications. The Purchaser is, and at the Closing shall be, legally, technically, financially and otherwise qualified under the Communications Act to perform its obligations hereunder, and to be the licensee of the FCC Licenses and own and operate the Station. There is no fact or circumstance relating to the Purchaser or any of its Affiliates that would reasonably be expected to prevent the FCC under the Communications Act in effect as of the date hereof from granting the FCC Applications or that would otherwise reasonably be expected to disqualify the Purchaser as the licensee of the FCC Licenses or as the owner or operator of the Station, or as a service provider under the SSA, that would delay the granting of the FCC Consent, or that would cause the FCC to impose any condition on its granting of the FCC Consent. The Purchaser has no reason to believe that the FCC Applications might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to the Purchaser or any of its Affiliates. No waiver of any FCC rule or policy in effect as of the date hereof is required for the grant of the FCC Applications or for Purchaser to perform its obligations under the SSA.

5.8 Financing. The Purchaser has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement. The Purchaser acknowledges and agrees that it shall be the Purchaser's obligation to have funds on hand at the applicable Closing sufficient to enable the Purchaser to pay the Purchase Price and the Purchaser's failure to have such funds at the applicable Closing shall constitute a breach by the Purchaser that gives rise to the failure of a condition set forth in Section 7.2 for the purposes of Section 9.1(a).

ARTICLE VI.

COVENANTS AND AGREEMENTS

6.1 Conduct of Business. At all times during the period commencing upon the execution and delivery of this Agreement by the parties hereto and terminating upon the earlier of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 9.1 hereof, unless the Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned), and except as otherwise required by Law or to enable the Seller to comply with its obligations hereunder or as otherwise set forth in Schedule 6.1 hereto, and except as contemplated by the SSA and the Channel Share Agreement, the Seller shall:

(a) (i) use commercially reasonable efforts to conduct the operations of the Station in the ordinary course of business, consistent with past practice, except to the extent otherwise provided herein, (ii) use commercially reasonable efforts to preserve and maintain in all material respects the goodwill of the Station and the current relationships of the Seller with employees, customers, suppliers and others with significant and recurring business dealings with the Station, (iii) use commercially reasonable efforts to maintain all Business Licenses and FCC Licenses that are material to the conduct of the business of the Station as currently conducted by Seller, including filing with the FCC applications to renew any FCC Licenses that have expired or that may expire prior to the Closing, (iv) maintain the books of account and records of the Station

in the usual, regular and ordinary manner, consistent with past practices, (v) use commercially reasonable efforts to maintain the Equipment in reasonable operating condition (given the age of such property and the use to which such property is put and ordinary wear and tear excepted) in accordance with industry practice, (vi) utilize the Program Rights of the Station in the ordinary course of business, and not sell or otherwise dispose of any such Program Rights, (vii) advise Purchaser in writing within two (2) Business Days after Seller obtains Knowledge of any complaint, investigation, proceeding or other Action pending or threatened in writing before the FCC with respect to the FCC Licenses, (vii) use commercially reasonable efforts to conduct Seller's operations under the SSA in all material respects in accordance with the Communications Act and with all other applicable Laws and (viii) perform its obligations under the Channel Share Agreement and SSA.

(b) Without limiting the foregoing, at all times during the period commencing upon the execution and delivery of this Agreement by the parties hereto and terminating upon the earlier of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 9.1 hereof unless the Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed, denied or conditioned, and which shall be deemed given if Purchaser does not respond to Seller's request for consent sent via email to Purchaser's counsel to the email address set forth in Section 10.1 within five (5) Business Days after delivery thereof), except as set forth on Schedule 6.1 hereto, the Seller shall use commercially reasonable efforts not to take, or cause to be taken, any of the following actions to the extent such actions relate to the Station:

(i) (A) enter into, materially amend, materially modify or terminate (other than at the expiration of their respective terms or due to a default of the other party thereunder) any (1) Station Contract relating to Program Rights, or (2) other Station Contract, other than Station Contracts not involving Liabilities exceeding \$10,000 individually in any twelve-month period or \$30,000 in the aggregate in any twelve-month period for all such Station Contracts or (B) enter into, materially amend, materially modify or terminate (other than, with respect to termination alone, at the expiration of their respective terms or due to a default of the other party thereunder) any Multi-Station Contract to the extent it relates to the Station;

(ii) (A) sell or make any other disposition of any of the Station Assets except (x) obsolete assets that are not in use in the operation of the Station; (y) pursuant to existing Station Contracts; or (z) in the ordinary course of business, consistent with past practice; and (B) grant or incur any Encumbrance on any of the Station Assets, other than Permitted Encumbrances;

(iii) except in the ordinary course of business, consistent with past practice, incur or assume any debt, obligation or Liability with respect to the Station;

(iv) except in the ordinary course of business, consistent with past practice, materially amend, materially modify or terminate any FCC License or Business License; or

(v) enter into any binding agreement to do any of the foregoing.

6.2 Access and Information. Subject to the terms hereof and of the Confidentiality Agreement, at all times during the period commencing upon the execution and delivery hereof by the parties hereto and terminating upon the earlier of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 9.1 hereof, the Seller shall permit the Purchaser and its authorized agents and representatives to have reasonable access, upon reasonable advance notice and during normal business hours, to the Station, the Station Assets and all of its relevant books, records and documents of or relating to the Station, the Station Assets, and shall furnish to the Purchaser such information and data, financial records and other documents in its possession relating to the Station, the Station Assets as the Purchaser may reasonably request; provided that such access shall not unduly interrupt the normal operations of the Station, shall be coordinated through Seller management, and shall comply with all applicable Station Contracts and Permitted Encumbrances.

6.3 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 Law, each party hereto shall maintain the confidentiality of all information obtained by it from the other party hereto 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 such receiving 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 Article IX hereof, each party hereto shall return to the other party hereto all documents (written and electronic) and other materials obtained by the first party from the other party hereto in connection with the negotiation of this Agreement and/or relating to the transactions contemplated hereby. The parties acknowledge that this Agreement must be filed with the FCC.

6.4 Further Actions.

(a) Upon the terms and subject to the conditions set forth in this Agreement (including the terms of Section 6.4(b) hereof), the Seller and the Purchaser shall each use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable under applicable Laws to consummate the Transactions, including, without limitation (but subject to Section 3.5): (i) obtaining all necessary Licenses, actions or nonactions, waivers, consents or approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the Transactions, and (ii) obtaining all necessary consents, approvals or waivers from third parties. In furtherance (and not in limitation) of the provisions set forth in this Agreement, at all times prior to the Closing, Purchaser and Seller shall (i) use their respective commercially reasonable efforts to take or cause to be taken all action necessary or desirable in order to consummate the transactions contemplated by this Agreement as promptly as is practicable and (ii) comply with the terms and perform each of their respective obligations under the SSA.

(b) Also in furtherance and not in limitation of Section 6.4(a), the Purchaser and the Seller each shall prepare and file with the FCC as soon as practicable, but in no event later than fifteen (15) Business Days after the execution of this Agreement, the requisite applications

(the “FCC Applications”) and other necessary instruments or documents requesting the FCC Consent and thereafter prosecute such applications with all reasonable diligence to obtain the FCC Consent as soon as practicable; provided, however, except as provided in the following sentence, neither the Purchaser nor the Seller shall be required to pay consideration to any third party to obtain the FCC Consent. Purchaser shall pay the FCC filing fees relating to the Transactions, irrespective of whether the transactions contemplated by this Agreement are consummated. The Purchaser and the Seller each shall oppose any petitions to deny or other objections filed with respect to the FCC Applications to the extent such petition or objection relates to such party. Neither the Purchaser nor the Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the receipt 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 9.1, the Purchaser and the Seller shall jointly request that the FCC extend the effective period of the FCC Consent. No extension of the FCC Consent shall limit the right of either party to exercise its rights under Section 9.1.

(c) In connection with the efforts referenced in this Section 6.4 to obtain the FCC Consent, the Purchaser and the Seller shall each use its respective commercially reasonable efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) keep the other party informed in all material respects of any material communication received by such party from, or given by such party to, the FCC or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, (iii) permit the other party the opportunity to review in advance any submissions to any Governmental Authority or material agreement that relates to the consummation of the transactions contemplated by this Agreement and (iv) permit the other party to attend any meetings with any Governmental Authority or participate in any communications with any Governmental Authority. The Seller shall be permitted by Purchaser to enter into tolling agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against Seller, or other customary agreements with the FCC, in connection with any pending complaint against Seller relating to the broadcast of allegedly obscene, indecent or profane material, or regarding Seller’s compliance with other FCC rules.

6.5 Publicity. The Seller and the Purchaser shall cooperate with each other in the development and distribution of all news releases and other public disclosures relating to the transactions contemplated by this Agreement. Neither the Seller nor the Purchaser shall issue or make, or allow to have issued or made, any press release or public announcement concerning the transactions contemplated by this Agreement without the consent of the other party hereto, except as otherwise required by applicable Law or the rules of any applicable stock exchange, but in any event only after giving the other parties hereto a reasonable opportunity to comment on such release or announcement in advance, consistent with such applicable legal requirements. Notwithstanding the foregoing, the parties acknowledge that this Agreement (excluding the Schedules) will be filed with the FCC Application and thereby become public.

6.6 Transaction Costs and Like-Kind Exchange.

(a) The Purchaser shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions (the “Transaction Expenses”). The Seller shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions. Each Party shall pay one-half of all transfer Taxes (including sales, use and real property transfer Taxes) and fees and costs of recording or filing all applicable conveyancing instruments associated with the transfer of the Station Assets from the Seller to the Purchaser pursuant to this Agreement. Consistent with Section 6.4(b) above, Purchaser shall all FCC filing fees. The Seller and the Purchaser shall cooperate in the preparation, execution and filing of all Tax Returns regarding any transfer Taxes which become payable as a result of the transfer of the Station Assets from the Seller to the Purchaser pursuant to this Agreement and/or shall cooperate to seek an available exemption from such Taxes.

(b) Each of the Seller and Purchaser shall have the right to assign its respective rights under this Agreement (but without release of its respective obligations herein and without release of the other party’s obligations herein) to a third party who may act as a “qualified intermediary” or an “exchange accommodation titleholder” with respect to this Agreement in accordance with the provisions of Section 1031 of the Code, the Treasury Regulations promulgated thereunder, and any corresponding state or local income Tax laws (such assignment and related transactions, a “Like-Kind Exchange”). If either party elects to engage in a Like-Kind Exchange, the party so electing (the “Electing Party”) shall notify the other party of its election in writing no later than five (5) days prior to the Closing, identifying those Assets that it intends to qualify as part of the Like-Kind Exchange. The Electing Party shall bear its own expenses in connection with any such election to engage in a Like-Kind Exchange. Each of Seller and Purchaser, as the case may be, shall cooperate fully with the Electing Party, and take any action reasonably requested in writing by the Electing Party, in connection with enabling the transactions to qualify in whole or in part as a Like-Kind Exchange; provided, however, that such actions do not impose any liabilities, including any unreimbursed monetary obligations or costs, on Seller or Purchaser and does not release Purchaser or Seller from its obligations under this Agreement, as the case may be, and that the Electing Party shall promptly reimburse the other party for any third-party costs reasonably incurred in connection with such election, including as the result of any subsequent review of such election by any Governmental Authority or any attendant Tax consequences.

6.7 Employee Matters. Seller shall remain responsible for the Business Employees and Purchaser shall have no obligation to any Business Employee.

6.8 Retention of and Access to Records. From and after the Closing, for a period of six (6) years the Purchaser shall preserve all books and records transferred by the Seller to the Purchaser pursuant to this Agreement. Upon the expiration of such six (6) year period, the Purchaser shall provide the Seller a reasonable opportunity to obtain copies, at the Seller’s expense, of any of such books and records. As soon as practicable following the Closing, the Purchaser shall deliver to the Seller such financial information relating to the Station in sufficient detail to enable the Seller to prepare its financial statements and all Tax Returns of the Seller relating to periods ending on or prior to the Closing. In addition to the foregoing, from and after the Closing, the Purchaser shall afford to the Seller, and its counsel, accountants and other

authorized agents and representatives, during normal business hours, (i) reasonable access to the employees, books, records and other data relating to the Station Assets, the Assumed Liabilities and the Excluded Liabilities in its possession with respect to periods prior to the Closing, and (ii) the right to make copies and extracts therefrom, to the extent that such access may be reasonably required (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such party or Person or its Affiliates, (b) for the preparation of Tax Returns and audits, and (c) for any other reasonable business purpose.

6.9 Control Prior to Closing. The parties acknowledge and agree that, for the purposes of the Communications Act and any other applicable Law, this Agreement and, without limitation, the covenants in this Article VI, are not intended to, and shall not be construed to, transfer control of the Station or to give the Purchaser any right to, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the programming, operations or any other matter relating to the Station prior to the Closing, subject to the SSA, and the Seller shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station until the Closing.

6.10 Risk of Loss.

(a) If, prior to the Closing, any of the Station Assets, respectively, shall be damaged or destroyed by fire or other casualty, Seller shall take commercially reasonable steps to repair, replace and restore, as appropriate under the circumstances, the Station Assets to reasonable operating condition as soon as possible after any loss or damage, it being understood and agreed that all insurance proceeds with respect thereto (“Proceeds”) will be applied to or reserved for such replacement, restoration or repair, but that Seller will have no obligation to repair, replace or restore in excess of the Proceeds (plus any applicable deductible payment), and that Purchaser’s sole remedies if Seller elects not to fully repair, replace or restore will be (i) to terminate this Agreement, or (ii) to close in accordance with Section 6.10(c).

(b) In the event that, prior to the Closing, any damage or loss causes material impairment to and prevents broadcast transmissions of the Station in the normal and usual manner and substantially in accordance with the FCC Licenses (not to include ordinary course scheduled maintenance), Seller will give prompt notice thereof to Purchaser and Purchaser, in addition to its other rights and remedies, will have the right to postpone the Closing until five (5) Business Days after transmission in accordance with the FCC Licenses has been resumed, subject to the Upset Date. During the period of postponement, Seller shall use its commercially reasonable efforts to resume broadcast transmissions. In the event transmission in accordance with the FCC Licenses cannot be resumed within the effective period of the FCC’s consent to assignment of the FCC Licenses to Purchaser, the parties will join in an application or applications requesting the FCC to extend the effective period of its consent for one or more periods not to exceed one hundred twenty (120) days in the aggregate, subject to the Upset Date. If transmission in accordance with the FCC Licenses has not been resumed so that the Closing does not occur by the Upset Date, Purchaser will have the right, by giving written notice to Seller within five (5) Business Days after the expiration of such 120-day period, or any such extension thereof, to terminate this Agreement forthwith without any further obligation.

(c) If any loss of or damage to the Station Assets occurs prior to the Closing, and repair, replacement or restoration of such assets to not less than reasonable operating condition has not been made on or before the Closing (as the Closing may be extended as provided in Section 6.10(b)), or the cost thereof is greater than the Proceeds (plus any applicable deductible), then Purchaser will be entitled, but not obligated, to accept the Station Assets in their then-current conditions and will receive an abatement or reduction in the Purchase Price in an amount equal to the difference between the amount necessary to fully repair or replace the damaged Assets to a reasonable operating condition and the amount of any unused Proceeds and payment of any related deductible amount. If Purchaser elects to accept damaged Station Assets at a reduced Purchase Price, the parties agree to cooperate in determining the amount of the reduction to the Purchase Price in accordance with the provisions hereof; provided, further, that in such case, Purchaser shall be deemed to have waived any breach of the representations, warranties or covenants set forth in this Agreement with respect to such loss or damage and Purchaser and Indemnified Party claiming through Purchaser will have no rights to indemnification under Article VIII of this Agreement with respect thereto.

6.11 Update. Seller shall deliver to the Purchaser, at least three (3) days before the Closing, a revised form of Schedule 4.7(a) as is necessary to reflect Station Contracts that have expired, been terminated, been amended, or been entered into in accordance with the terms of this Agreement since the date hereof, together with copies of any such amended or new Station Contracts.

ARTICLE VII. CLOSING CONDITIONS

7.1 Conditions to Obligations of the Purchaser to the Closing. The obligations of the Purchaser to consummate the Closing are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by the Purchaser in writing:

(a) All representations and warranties of the Seller contained in this Agreement (disregarding any qualifications regarding materiality or Material Adverse Effect) shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such date only), except for changes which are permitted or contemplated pursuant to this Agreement or specifically consented to by the Purchaser in writing or to the extent that the failure of the representations and warranties of the Seller contained in this Agreement to be true and correct, at and as of the Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only), has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) The Seller shall have performed and complied in all material respects with all the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There shall be in effect no Law or injunction issued by a court of competent jurisdiction making illegal or otherwise prohibiting or restraining the consummation of the Closing.

(d) The Seller shall have delivered to the Purchaser all of the certificates, instruments and other documents required to be delivered by it at or prior to the Closing pursuant to Section 3.2 hereof.

(e) The FCC Consent shall have been granted and shall be in full force and effect.

(f) The Required Consents shall have been obtained. For purposes hereof, “Required Consent” shall mean the consents, authorizations, approvals, waivers, or notices relating to the Station Contracts set forth on Schedule 7.1(f).

7.2 Conditions to Obligations of the Seller to the Closing. The obligations of the Seller to consummate the Closing are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by the Seller in writing:

(a) All representations and warranties of the Purchaser contained in this Agreement (disregarding any qualifications regarding materiality) shall be true and correct in all material respects as of the date of this Agreement and at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct in all material respects as of such date only).

(b) The Purchaser shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There shall be in effect no Law or injunction issued by a court of competent jurisdiction making illegal or otherwise prohibiting or restraining the consummation of the Closing.

(d) The Purchaser shall have delivered to the Seller the Purchase Price and all of the certificates, instruments and other documents required to be delivered by the Purchaser at or prior to the Closing pursuant to Section 3.3 hereof.

(e) The FCC Consent shall have been granted, shall be in full force and effect, without any conditions materially adverse to the Purchaser, and on terms that are not materially more onerous to the Purchaser than are the terms to the Seller under the existing FCC Licenses, in each case, other than those of general applicability to all licensees of broadcast television stations.

ARTICLE VIII.

INDEMNIFICATION

8.1 Survival. The representations and warranties made by any party and contained in or made pursuant to this Agreement shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive, until one (1) year following the Closing, whereupon all such representations and warranties shall expire and terminate and shall be of no further force or effect; provided, however, that the representations and warranties in Section 4.1 (Organization), Section 4.2 (Seller's Authority), Section 4.5 (Equipment) solely with respect to title, Section 4.14 (Taxes) and Section 5.2 (Purchaser Authority) (collectively, such representations and warranties, the "Core Representations") shall survive the Closing until ninety (90) days after the expiration of the applicable statute of limitations with respect to the particular matter that is the subject thereof. None of the covenants and agreements shall survive the Closing except to the extent such covenants and agreements contemplate performance after the Closing, in which case such covenants and agreements shall survive until performed. In the event that written notice is properly given under this Article VIII with respect to any alleged breach of a representation and warranty to which such party is entitled to be indemnified hereunder prior to the applicable expiration date, such representation and warranty shall continue to survive (with respect to the subject matter of such written notice only) until the applicable claim is finally resolved.

8.2 Indemnification by the Purchaser. After the Closing, the Purchaser agrees to indemnify the Seller, its Affiliates and its and their respective officers, directors, employees and representatives (each, a "Seller Indemnified Party") against and hold each such Seller Indemnified Party harmless from and reimburse each such Seller Indemnified Party for all losses, damages, Liabilities and expenses, including reasonable attorneys' fees (collectively, "Damages") which such Seller Indemnified Party may at any time sustain or incur as a result of or arising out of:

- (a) the breach of any representation or warranty of the Purchaser herein or in any Operative Agreement;
- (b) the breach of any covenant or agreement of the Purchaser contained herein or in any Operative Agreement; and
- (c) the Assumed Liabilities.

8.3 Indemnification by the Seller. After the Closing, the Seller agrees to indemnify the Purchaser, its Affiliates and its and their respective officers, directors, employees and representatives (each, a "Purchaser Indemnified Party") against and hold each such Purchaser Indemnified Party harmless from and reimburse each such Purchaser Indemnified Party for all Damages which such Purchaser Indemnified Party may at any time sustain or incur as a result of or arising out of:

- (a) The breach of any representation or warranty of the Seller herein or in any Operative Agreement;

(b) the breach of any covenant or agreement of the Seller contained herein or in any Operative Agreement; and

(c) the Excluded Liabilities.

8.4 Notification of Claims.

(a) A party entitled to be indemnified pursuant to Section 8.2 or 8.3 (the “Indemnified Party”) shall promptly notify the party or parties liable for such indemnification (the “Indemnifying Party”) in writing of any claim or demand which the Indemnified Party in good faith has determined has given or could give rise to a right of indemnification under this Agreement (a “Notice of Claim”); provided, however, that a delay or failure to provide such notice shall not relieve any Indemnifying Party of its obligations, except to the extent that it has been prejudiced by such delay or failure. Any Notice of Claim shall (i) state with reasonable specificity the basis on which indemnification is being asserted, (ii) set forth the Indemnified Party’s good faith estimate of the amount of Damages for which indemnification is being asserted, and (iii) in the case of third party claims (a “Third Party Claim”), shall be accompanied by copies of all relevant pleadings, demands and other papers served on the Indemnified Party.

(b) If the Indemnified Party notifies the Indemnifying Party of any Third Party Claim, the Indemnifying Party shall have the right (i) to employ counsel of its choice that is reasonably acceptable to the Indemnified Party to defend any such claim or demand asserted against the Indemnified Party, and (ii) to control and conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend, in each case, in good faith, the Indemnified Party, provided that the parties believe in good faith (based on facts known at the time) that it is reasonably likely that all or a majority of the Damages sought in the Third Party Claim are within the scope of and subject to indemnification hereunder. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible after its receipt of the Notice of Claim (but in any case within thirty (30) days of receipt by the Indemnifying Party of a Notice of Claim (the “Indemnity Notice Period”)) of its election to defend any such Third Party Claim. Notwithstanding the foregoing, the Indemnifying Party may not assume or control the defense if the named parties to the action giving rise to the Notice of Claim (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party 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 Indemnified Party shall have the right to defend the action and to employ counsel reasonably approved by the Indemnifying Party, and, to the extent the matter is determined to be subject to indemnification hereunder, the Indemnifying Party shall reimburse the Indemnified Party for all reasonable costs associated with such defense. In the event that the Indemnifying Party does assume the defense as provided above, the Indemnified Party shall have the right to participate in such defense (including without limitation, with counsel of its choice), at its own expense, and the Indemnifying Party shall reasonably cooperate with the Indemnified Party in connection with such participation. If the Indemnifying Party does not deliver to the Indemnified Party written notice within the Indemnity Notice Period that the Indemnifying Party will assume the defense of any such claim or litigation resulting therefrom, the Indemnified Party may defend against any such claim or litigation in such manner as it may deem appropriate, at the cost of the Indemnifying Party.

(c) In the event the Indemnifying Party (i) does not elect to assume control or otherwise participate in the investigation and/or the defense of, or opposition to, any Third Party Claim or (ii) is not entitled to assume control of the investigation and/or the defense of, or opposition to, any such Third Party Claim, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such claim; provided, however, the Indemnified Party shall not have the right to consent or otherwise agree to any monetary or non-monetary settlement or relief, including injunctive relief or other equitable remedies, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, delayed or conditioned. In the event that the Indemnifying Party assumes control of the investigation of, defense of, or opposition to, any Third Party Claim, the Indemnifying Party shall have the right in good faith to settle or compromise any such claim, provided that (i) at least five (5) Business Days prior notice of such settlement or compromise is given to the Indemnified Party and (ii) such settlement or compromise must not require the Indemnified Party to take or refrain from taking any action (provided that Indemnified Party shall not unreasonably withhold its consent to the terms of a mutual release with respect to such claim with the third party making such claim), contain any admission by or on behalf of the Indemnified Party, or otherwise fail to hold the claimant fully harmless with respect to such claim. Notwithstanding the foregoing, in connection with any such settlement or compromise negotiated by the Indemnifying Party, no Indemnified Party shall be required by an Indemnifying Party to (i) enter into any settlement that does not include as an unconditional term thereof the delivery by the Indemnified Party or plaintiff to the Indemnified Party of a release from all liability in respect of such claim or litigation, or (ii) enter into any settlement that attributes by its terms any non-indemnified liability to the Indemnified Party.

(d) If a claim, whether a direct claim or a Third Party Claim, requires immediate action, the parties hereto will work in good faith to reach a decision with respect thereto as expeditiously as possible.

8.5 Limitations.

(a) Notwithstanding anything herein to the contrary, no Indemnifying Party shall have any obligation to indemnify any Indemnified Parties pursuant to Sections 8.2(a) or 8.3(a), as the case may be, and no Indemnified Party shall make a claim pursuant to Sections 8.2(a) or 8.3(a), as the case may be, unless the aggregate amount of Damages sustained or incurred with respect to all claims pursuant to Section 8.2(a) or Section 8.3(a) exceeds \$500. Notwithstanding anything to the contrary contained in this Agreement, the aggregate maximum indemnifiable liability of any Indemnifying Party pursuant to Sections 8.2(a) or 8.3(a), as the case may be, shall be limited to \$5,000 (the “Cap”); provided, however, that the Cap shall not apply to breaches of the Core Representations or fraud. For the avoidance of doubt, the maximum amounts payable under any clause of this Section 8.5(a) shall be reduced by any amount previously paid under Section 8.2(a) of this Agreement, or under Section 8.3(a) of this Agreement, in the aggregate, as applicable.

(b) Notwithstanding anything herein to the contrary, payments by the Indemnifying Party pursuant to Section 8.2 or 8.3 shall be limited to the amount of Damages, if any, that remain after deducting therefrom (i) any insurance proceeds and any indemnity, contribution or other similar payment actually recovered by the Indemnified Parties from any third

party with respect thereto, reduced by any costs directly associated with recovery and any increase in any insurance related premiums as a result of any insurance claim related to such Damages, and (ii) any provision or reserve specifically provided for the item in question in the Prorations.

(c) Absent fraud, no claim for indemnification or cause of action arising under or resulting from this Agreement, any other Operative Agreement or any of the Transactions may be asserted by any Indemnified Party against the Seller or the Purchaser, respectively, for punitive, special, exemplary, speculative, remote or consequential damages (including for lost profits or revenue), or for damages calculated on the basis of any multiple or for diminution in value, unless and only to the extent such damages are payable by the Indemnified Party to a third party.

(d) Notwithstanding any other provision of this Agreement, the Purchaser and the Seller acknowledge that the obligation of the Seller and the Purchaser, as the case may be, to provide indemnification for Damages arising out of Section 8.2 or 8.3 extends only to the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the case may be, and that neither the Seller nor the Purchaser shall be obligated to provide such indemnification to any other Persons.

(e) The Indemnifying Party and the Indemnified Party shall use their respective commercially reasonable efforts with respect to resolving any Liability or minimizing Damages with respect to which an Indemnifying Party is obligated to indemnify an Indemnified Party to this Article VIII. The Indemnified Party shall use its commercially reasonable efforts to pursue payment under or from any insurer or third-party in respect of such Damages.

8.6 Treatment of Indemnity Benefits. All payments made by the Seller or the Purchaser, as the case may be, to or for the benefit of the other pursuant to any indemnification obligations under this Agreement shall be treated as adjustments to the Purchase Price for Tax purposes and such agreed treatment shall govern for purposes of this Agreement.

8.7 Exclusive Remedy. Absent fraud, the parties hereto hereby acknowledge and agree that the sole and exclusive remedy of the Purchaser Indemnified Parties and the Seller Indemnified Parties, as the case may be, from and after the Closing with respect to Damages and any and all claims for any breach or liability under this Agreement (except as specifically provided in any other Operative Agreement) shall be solely in accordance with, and limited by, the indemnification provisions set forth in this Article VIII.

ARTICLE IX. TERMINATION

9.1 Termination.

(a) This Agreement may be terminated prior to the Closing by either the Purchaser, on the one hand, or the Seller, on the other hand, upon written notice to the other following the occurrence of any of the following:

(i) by the Purchaser or Seller, if the other party is in breach or default of this Agreement or does not perform in all material respects the obligations to be performed by it under this Agreement on or prior to the Closing and such breach or failure

to perform (a) would give rise to the failure of a condition set forth in Section 7.1(a) or Section 7.1(b) (in the case of a breach or default by Seller) or Section 7.2(a) or Section 7.2(b) (in the case of a breach or default by the Purchaser), if such breach or failure to perform had occurred at the time scheduled for the Closing and (b) such breach has not been substantially cured as set forth in Section 9.1(e) provided, however, any party that itself is in material breach or material default of this Agreement shall be barred from exercising its rights to terminate this Agreement pursuant to this Section 9.1(a)(i);

(ii) by the Purchaser or Seller, if there shall be any Law that prohibits consummation of the Transactions or if a Governmental Authority of competent jurisdiction shall have issued a final, nonappealable Governmental Order enjoining or otherwise prohibiting consummation of the Transactions;

(iii) by the Purchaser or Seller, if the Closing has not occurred on or prior to the date that is 12 months from the date of this Agreement (the "Upset Date"); provided, however, the terminating party may only terminate this Agreement pursuant to this subsection (iii) if at the time of termination the terminating party is not in material breach or default of this Agreement; or

(b) This Agreement may be terminated at any time after the grant of the Construction Permit Approval, by written notice of Purchaser to Seller, or of Seller to Purchaser, if the Closing does not occur by the date that is 12 months from the date hereof.

(c) This Agreement may be terminated prior to the Closing by mutual written consent of the Purchaser and the Seller.

(d) If applicable, this Agreement may be terminated prior to the Closing by the Purchaser pursuant to Section 6.10.

(e) If either party asserts that the other is in breach or default of this Agreement in a manner that would entitle such party the right to terminate under Section 9.1(a)(i), the non-defaulting party shall, prior to exercising its right to terminate under Section 9.1(a)(i), provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price or otherwise perform any obligations to be performed at the time scheduled for the Closing (to which the cure period described hereinafter shall not apply), the defaulting party shall have ten (10) days from receipt of such notice to cure such default; provided, however, that if the breach or default is incapable of cure within such 10-day period, the cure period shall be extended as long as the defaulting party is diligently and in good faith attempting to effectuate a cure and there is a reasonable likelihood that a cure will be achieved. Nothing in this Section 9.1(e) shall be interpreted to extend the Upset Date.

(f) Upon termination: (i) if neither Seller nor Purchaser is in material breach of any provision of this Agreement, neither shall have any further liability to each other; and (ii) if either party shall be in material breach of any provision of this Agreement, the other party shall have the rights and remedies provided in Section 9.3, or otherwise available at law or equity.

9.2 Effect of Termination. In the event of a valid termination of this Agreement pursuant to Section 9.1, this Agreement (other than Section 6.6, this Article IX, Section 10.1,

Section 10.2, Section 10.3, Section 10.4, Section 10.5, Section 10.6, Section 10.7, Section 10.10, Section 10.11, Section 10.12, Section 10.13, Section 10.14, Section 10.15 and Section 10.16, each of which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates nor any of such party's or any of such Affiliates', directors, officers or employees) shall have any liability or further obligation, except as provided in this Article IX; provided, however, that nothing in this Section 9.2 shall relieve any party from liability for any breach of this Agreement prior to termination.

9.3 Specific Performance. In the event of failure or threatened failure by Seller to comply with the terms of this Agreement, the Purchaser shall be entitled to an injunction restraining such failure or threatened failure and, subject to the extent applicable to obtaining the FCC Consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. In the event of failure or threatened failure by Purchaser to comply with the terms of this Agreement, the Seller shall be entitled to an injunction restraining such failure or threatened failure to, and enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. In the event of a default by either Purchaser or Seller 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).

ARTICLE X.

MISCELLANEOUS

10.1 Notices. All notices, requests, demands, claims and other communications that are required or may be given pursuant to this Agreement must be in writing and delivered personally against written receipt, by a nationally recognized overnight delivery service, by facsimile transmission or by registered or certified mail, return receipt requested, postage prepaid, to the parties at the following addresses (or to the attention of such other Person or such other address as any party may provide to the other parties by notice in accordance with this Section 10.1):

if to the Seller, to:
Liberty University
1971 University Blvd
Lynchburg, VA 24515
Attn: David M. Corry
Email: dcorry@liberty.edu

with a copy (which shall not constitute notice) to:
Brooks Pierce
1700 Wells Fargo Capitol Center
150 Fayetteville Street
Raleigh, NC 27601
P.O. Box 1800 (27602)
Attn: Mark Prak and Tim Nelson
Telephone: (919) 573-6205
Fax: (336) 232-9105
Email: mprak@brookspierce.com
tnelson@brookspiece.com

if to the Purchaser, to:
Gray Television Group, Inc.
4370 Peachtree Rd NE
Atlanta, GA, 30319
Attn: General Counsel
Telephone: (404) 504-9828
Facsimile: (202) 747-7791

with a copy (which shall not constitute
notice) to:
Cooley LLP
1299 Pennsylvania Avenue, NW Suite 700
Washington, DC 20004
Attn: John R. Feore
Telephone: (202) 776-2045
Fax: (202) 842-7899
Email: jfeore@cooley.com

Any such notice or other communication will be deemed to have been given (i) if personally delivered, when so delivered, against written receipt, (ii) if sent by a nationally recognized overnight delivery service when so delivered against written receipt, (iii) if given by facsimile transmission once such notice or other communication is transmitted to the facsimile number specified above and the appropriate answer back or telephonic confirmation is received, or (iv) if mailed by registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth above, when so delivered against written receipt. Any notice, request, demand, claim or other communication given hereunder using any other means (including ordinary mail or electronic mail) shall not be deemed to have been duly given unless and until such notice, request, demand, claim or other communication is actually received by the individual for whom it is intended.

10.2 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by the Seller or the Purchaser without the prior written consent of the other parties and any purported assignment or delegation in violation hereof shall be null and void except for assignments and transfers by operation of Law); provided, that Purchaser may by written notice to Seller, but without consent of, Seller, assign all or any part of its rights and obligations hereunder to one or more Affiliates of Purchaser and Purchaser may assign its rights hereunder in whole or in part as security for any financing of the transactions contemplated hereby, provided, that, in either case, any such assignment does not materially delay the processing of the FCC Application, the grant of the FCC Consent or the Closing or conflict with any FCC rules or policies; and provided further, that Purchaser shall not be relieved of any liability pursuant to this Agreement in connection with such assignment.

10.3 Amendments and Waiver; Exclusive Remedies. This Agreement may not be modified or amended except in writing signed by the party or parties against whom enforcement is sought. The terms of this Agreement may be waived only by a written instrument signed by the party or parties waiving compliance. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise provided. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of

compliance as set forth in this Section 10.3. The rights and remedies herein provided shall be the exclusive rights and remedies available to the parties hereto at law or in equity.

10.4 Entire Agreement. This Agreement and the related documents contained as Exhibits and Schedules hereto or expressly contemplated hereby (including the Operative Agreements) contain the entire understanding of the parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. The Exhibits and Schedules to this Agreement are hereby incorporated by reference into and made a part of this Agreement for all purposes.

10.5 No Third Party Beneficiary. This Agreement is made for the sole benefit of the parties hereto, and their respective successors, executors and permitted assigns, and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement (except to the extent that certain third parties are expressly covered by the indemnity herein).

10.6 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the substantive Laws of the State of Delaware, without giving effect to any conflicts of Law, rule or principle that might require the application of the Laws of another jurisdiction.

10.7 Representations and Warranties Exclusive. The representations, warranties, covenants and agreements set forth in this Agreement and the Operative Agreements constitute all the representations, warranties, covenants and agreements of the parties hereto and their respective shareholders, directors, officers, employees, affiliates, advisors (including financial, legal and accounting), agents and representatives and upon which the parties have relied. In particular, and without in any way limiting the generality of the foregoing, the Purchaser acknowledges and agrees that, in making its decision to purchase the Station Assets, it is not relying on (a) any information or materials, oral or written, distributed or made available to the Purchaser by any Person prior to the date hereof other than matters set forth in this Agreement, including the Schedules and/or the Operative Agreements or (b) any financial projection, forecast or business plan relating to the Station. With respect to any projection, forecast or business plan delivered by or on behalf of the Seller to the Purchaser, the Purchaser acknowledges that (i) there are uncertainties inherent in attempting to make such projections, forecasts and plans, (ii) it is familiar with such uncertainties, (iii) it is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections, forecasts and plans so furnished to it, and (iv) it shall have no claim of any kind whatsoever against any Person with respect thereto.

10.8 Neutral Construction. The parties to this Agreement agree that this Agreement was negotiated fairly between them at arms' length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that the party or parties drafted or was more responsible for drafting the provision(s).

10.9 Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the Laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced in any manner materially adverse to any party and that such provision cannot be narrowly drawn, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

10.10 Bulk Sales Laws. The parties hereby waive compliance with the bulk sales laws of any State in which the Station Assets are located or in which operations relating to the Station are conducted.

10.11 Heading; Interpretation; Schedules and Exhibits. This Agreement has been negotiated by the Purchaser, on the one hand, and the Seller, and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement. In this Agreement (a) the words “hereof,” “herein,” “hereto,” “hereunder,” and words of similar import may refer to this Agreement as a whole and not merely to a specific section, paragraph, or clause in which the respective word appears, (b) words used herein, regardless of the gender specifically used, shall be deemed and construed to include any other gender, masculine, feminine or neuter, as the context requires, (c) any terms defined in this Agreement may, unless the context otherwise requires, be used in the singular or the plural depending on the reference, (d) unless otherwise stated, references to any Section, Article, Schedule or Exhibit are to such Section or Article of, or Schedule or Exhibit to, this Agreement, (e) the words “include”, “includes”, and “including” are deemed in each case to be followed by the words “without limitation” and (f) the word “shall” denotes a directive and obligation, and not an option. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Disclosure of information included on any Schedule to this Agreement shall be considered disclosure of such information for all other Schedules, and shall so qualify the applicable representations and warranties to which such other Schedules relate, to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Schedule. In addition, (x) the fact that any disclosure on any Schedule is not required to be disclosed in order to render the applicable representation or warranty to which it relates true, or that the absence of such disclosure on any Schedule would not constitute a breach of such

representation or warranty, shall not be deemed or construed to expand the scope of any representation or warranty hereunder or to establish a standard of disclosure in respect of any representation or warranty and (y) disclosure of a particular matter on any Schedule shall not be construed to mean that such matter is material or would reasonably be expected to have a Material Adverse Effect.

10.12 Consent to Jurisdiction. EACH PARTY HERETO CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF DELAWARE OR IF IT HAS OR CAN ACQUIRE JURISDICTION, IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS AGREEMENT, ANY AGREEMENT DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE LITIGATED IN SUCH COURTS. EACH PARTY HERETO ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF SUCH COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT, ANY AGREEMENT DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

10.13 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.13.

10.14 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or by means of portable document format (pdf) transmission by email) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement

10.15 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, equityholder, Affiliate, agent, attorney or representative of Seller or Purchaser or any of its respective Affiliates shall have any liability for any obligations or liabilities of Seller or Purchaser under this Agreement or for any claim (whether in contract or tort, in law or in equity, or based upon any theory that seeks to “pierce the corporate veil” or impose liability of an entity

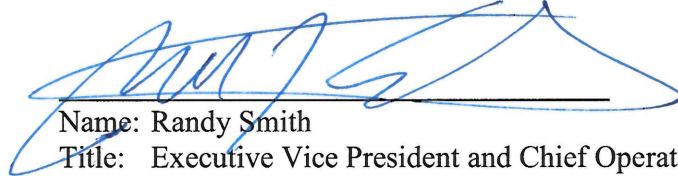
against its owners or Affiliates or otherwise), liability or any other obligation arising under, based on, in respect of, in connection with, or by reason of, this Agreement or the transactions contemplated hereby, including its negotiation and/or execution.

10.16 Actions Pursuant to the SSA. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to the Purchaser's obligation to perform under this Agreement (nor shall the Seller have any indemnification or other liability or responsibility to the Purchaser in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case to the extent that the inaccuracy of any such representation, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent is principally caused by (i) any actions taken by or under the control of the Purchaser or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with the Purchaser's performance of its obligations under the SSA or otherwise, or (ii) the failure of the Purchaser to perform or discharge any of its obligations as required by the SSA. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not have any indemnification or other liability or responsibility to the Purchaser in respect of any obligations or liabilities assumed by the Purchaser under the SSA or arising out of or caused by the Purchaser's actions in connection with the SSA or failure to perform or discharge its obligations as required by the SSA.

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

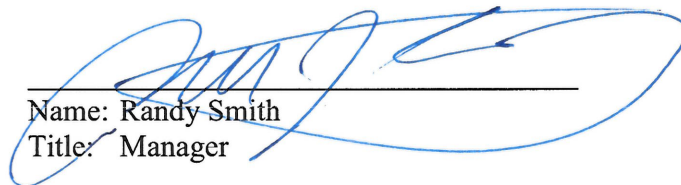
· **IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

LIBERTY UNIVERSITY, INC.



Name: Randy Smith
Title: Executive Vice President and Chief Operating Officer

MORNING STAR BROADCASTING, LLC



Name: Randy Smith
Title: Manager

GRAY TELEVISION GROUP, INC.

Name: Kevin P. Latek
Title: Secretary

GRAY TELEVISION LICENSEE, LLC

Name: Kevin P. Latek
Title: Secretary

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List of Schedules and Exhibits

<u>Schedule</u>	<u>Description</u>
1.1(w)	List of Individuals - Knowledge of the Seller
1.1(hh)	Permitted Encumbrances
2.7	Multi-Station Contracts
4.3	No Violation/Third Party Consents Exceptions
4.4	Government Consents Exceptions
4.5	Equipment
4.6	Business Intellectual Property
4.7(a)	Station Contracts
4.7(b)	Enforceability Exception
4.7(c)	MVPDs Carrying Station
4.8	Business Licenses
4.9(a)	Owned Real Property
4.9(c)	Restrictive Covenants
4.10	Litigation/Governmental Orders Exceptions
4.11	Compliance with Laws Exceptions
4.12(a)	FCC Licenses and Pending FCC Applications
4.12(b)	FCC Exceptions
4.13	Business Insurance Policies
4.15	Transactions with Affiliates Exceptions
4.17	Environmental Matters
6.1	Conduct of Business Exceptions
7.1(f)	Required Consents

Exhibit A	Option Agreement
Exhibit B	Bill of Sale
Exhibit C	Assignment and Assumption
Exhibit D	Tower License Agreement
Exhibit E	Assignment of FCC Licenses
Exhibit F	Officer's Certificate of the Seller
Exhibit G	Secretary's Certificate of the Seller
Exhibit H	Officer's Certificate of the Purchaser
Exhibit I	Secretary's Certificate of the Purchaser
Exhibit J	Letter Agreement