

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 17<sup>th</sup> day of March, 2008, by and among CHANNEL 2 BROADCASTING COMPANY, an Alaskan corporation ("Seller"), ZASER & LONGSTON, INC., a Washington corporation ("Parent"), and SCHURZ COMMUNICATIONS, INC., an Indiana corporation ("Buyer").

### RECITALS:

A. Seller owns and operates television station KTUU-TV and its digital companion channel KTUU-DT in Anchorage, Alaska (collectively referred to herein as the "Station").

B. As part of the operation of the Station, Seller (i) owns capital stock in, and uses certain assets of, Anchorage Broadcast Television Consortium, Inc., an Alaskan corporation f/k/a Sutwik, Inc. ("ABTC"), and (ii) is a member of, and uses certain assets of, a joint venture (the "Goose Bay Joint Venture") with Alaska Public Television, Inc. and Smith Media, LLC, pursuant to that certain Joint Venture Agreement dated April 30, 1985 by and among Seller and such parties or their predecessors-in-interest (the "Joint Venture Agreement"). Seller's ownership and operation of the Station and all related activities, including its ownership interest in and activities with respect to ABTC and the Goose Bay Joint Venture, are referred to herein as the "Business".

C. Parent is the owner of all of the issued and outstanding capital stock of Seller.

D. Seller desires to sell substantially all of the assets and rights of the Station and the Business to Buyer, and Buyer desires to purchase such assets and rights, all on the terms and subject to the conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and subject to the terms and conditions hereof, the parties hereby agree as follows:

#### 1. Sale and Purchase of Assets.

(a) *Assets to be Conveyed.* On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereafter defined), Seller shall sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all right, title and interest of the Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are used or useful in the Business other than the Excluded Assets listed in **Section 1(b)** (such assets being conveyed being collectively referred to herein as the "Assets"), free and clear of any and all liens, claims, charges, security interests, encumbrances or other restrictions or limitations of any nature whatsoever ("Liens") except Permitted Liens (as defined in **Section 11(r)**), including the following:

(i) All television broadcast licenses, permits and other authorizations ("FCC Licenses") issued by the United States Federal Communications Commission ("FCC") relating to the operation of the Station, and all other certificates, licenses, permits, franchises, broadcast rights or

authorizations relating to the Station to the fullest extent that the same are transferable or assignable;

(ii) All transmission equipment, towers, transmitters, translators, antennas, cables, production, studio and other related equipment and improvements owned by Seller and not otherwise constituting leasehold improvements which belong to the landlord pursuant to leases in which Seller is a tenant, vehicles owned (as opposed to leased) by Seller, fixtures, furniture, tools and tooling, spare parts, office equipment and supplies, computers, computer hardware and peripherals, computer software and manuals and other tangible personal property of every kind and description that are used or useful in the operation of the Business (collectively, "Tangible Property"), including the equipment and other fixed assets set forth on **Schedule 1(a)(ii)**;

(iii) All materials, supplies and inventory relating to the Business;

(iv) All (A) agreements for the sale of advertising time on the Station, (B) the Joint Venture Agreement, (C) all other contracts, agreements and leases used in or relating to the Business to the extent listed on **Schedule 1(a)(iv)**, and (D) such other contracts and agreements as Buyer, in its sole discretion, agrees to assume in writing at the Closing (collectively, the "Assumed Contracts");

(v) All signage and all supplies of advertising materials, marketing and promotional materials and samples, literature and manuals relating to the Business;

(vi) All claims, causes of action and other rights of Seller against others relating to the Business, except for those related to or arising from the Excluded Assets identified in **Section 1(b)**;

(vii) All Intellectual Property (as defined in **Section 11(m)**) used in connection with the Business, including the call signs, jingles, slogans and related phrases of the Station, the Intellectual Property listed on **Schedule 11(m)** and all goodwill associated therewith;

(viii) All prepaid expenses and security deposits, performance bonds or other deposits that are attributable to the Business;

(ix) All capital stock, partnership interests, or member interests owned by Seller or Parent in, and any other rights of Seller or Parent with respect to, ABTC and the Goose Bay Joint Venture;

(x) All of Seller's files, records, documents and books of account (or copies thereof) relating to the Business, including the Station's public inspection files, programming information and studies, engineering data, marketing and demographic data, advertiser and vendor lists, contacts, pricing

information, sales records, payment terms and history and other related records, records relating to the Intellectual Property, the Assumed Contracts, the Assumed Liabilities, ABTC and the Goose Bay Joint Venture and such other records as may be necessary or advisable for the operation of the Business by Buyer after Closing as reasonably designated by Buyer;

(xi) All of Seller's rights, title and interest in and to all rights and warranties from vendors, suppliers or others with respect to any of the Assets or the operation of the Station;

(xii) All goodwill related to the Business; and

(xiii) All other assets used or useful in the Business, except for the Excluded Assets.

(b) *Excluded Assets.* Notwithstanding anything to the contrary contained herein, the following property of Seller (the "Excluded Assets") is expressly excluded from the purchase and sale contemplated by this Agreement:

(i) Seller's cash and cash equivalents;

(ii) Seller's accounts receivable;

(iii) Seller's notes receivable from Parent;

(iv) Seller's tax refunds in respect of periods prior to the Closing;

(v) The Design Agreement dated May 21, 2002 between Seller and Devlin Design Group, Inc. (the "Design Agreement");

(vi) Any contract or agreement other than any Assumed Contract;

(vii) All rights in connection with and the assets of any Employee Plans (as defined in **Section 11(s)**); and

(viii) Seller's minutes books and stock records.

**2. Escrow Deposit.** Contemporaneously with the execution of this Agreement, Buyer, Seller and LaSalle Bank National Association (the "Escrow Agent") shall enter into an escrow agreement substantially in the form of the agreement attached hereto as Exhibit A (the "Escrow Agreement"), pursuant to which Buyer shall make an earnest money deposit (the "Deposit") in the amount of One Million Four Hundred Fifty Thousand Dollars (\$1,450,000) to be held in escrow in accordance with the terms of this Agreement and the Escrow Agreement. At the Closing, Four Hundred Fifty Thousand Dollars (\$450,000) of the Deposit and all earnings on the Deposit (the "Closing Escrow Payment") shall be paid to Seller by the Escrow Agent as partial payment of the Purchase Price due at Closing in accordance with the provisions of

Section 3(a) of this Agreement and the Escrow Agreement. The remaining \$1,000,000 of the Deposit shall remain in escrow in accordance with the Escrow Agreement to provide security to Buyer for potential indemnification claims pursuant to Section 13(b) hereof.

### **3. Purchase Price.**

(a) *Purchase Price.* Subject to adjustment as provided in **Section 3(b)**, the purchase price for the Assets (the “Purchase Price”) shall be Twenty-Six Million Dollars (\$26,000,000), which shall be payable at Closing as follows:

(i) The Closing Escrow Payment shall be disbursed by the Escrow Agent to Seller in accordance with the terms of the Escrow Agreement; and

(ii) The remaining balance of the Purchase Price (i.e., the Purchase Price *less* the sum of the Closing Escrow Payment and the remaining \$1,000,000 balance of the Deposit) shall be paid to Seller by wire transfer of immediately available funds in accordance with the written wire transfer instructions provided by Seller to Buyer at least three (3) business days prior to the Closing.

(b) *Prorations and Adjustments.*

(i) All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with accounting principles generally accepted in the United States (“GAAP”) as of 12:01 a.m. on the day of Closing (the “Effective Time”) and in accordance with the principle that Seller shall be entitled to all revenues and be responsible for all expenses, costs and liabilities allocable to the period prior to the Effective Time, and Buyer shall be entitled to all revenues and be responsible for all expenses, costs and liabilities allocable to the period on or after the Effective Time. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (except transfer taxes as provided by **Section 16(a)**), music and other license fees, utility expenses, rent and other amounts due and payable under Assumed Contracts, FCC regulatory fees and similar prepaid and deferred items attributable to the ownership of the Station or the Assets. Buyer also shall be entitled to a credit against the Purchase Price for accrued but unpaid vacation time for Transferred Employees (defined in **Section 7(f)**) to the extent provided in **Section 7(f)(iii)** and **Schedule 7(f)(iii)**. Sales commissions related to the sale of advertisements broadcast on the Station prior to Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Station after Closing shall be the responsibility of Buyer. Notwithstanding the foregoing, Seller shall remain solely liable with respect to the Retained Liabilities (as defined in **Section 4**).

(ii) All current real, personal property and similar ad valorem taxes relating to the Assets shall be prorated as of the Closing Date based upon the latest official tax rate, assessment and credits; *provided*, that in the event the latest assessment is for a year in which the tax rate has not yet been officially established, the assessment for the last year in which the official tax rate was established shall be used. All taxes and assessments which are payable prior to or as of Closing shall be paid by Seller prior to or at Closing.

(iii) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Buyer pursuant to **Section 1(a)(iv)**, if at Closing the Station has an aggregate negative or positive barter balance (*i.e.*, the amount by which the value of air time to be provided by the Station after the Effective Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Seller, and adjusted for as a proration in Buyer's or Seller's favor, as applicable; *provided, however*, that if such excess or deficiency, as the case may be, is equal to or less than Ten Thousand Dollars (\$10,000), there shall be no adjustment under this **Section 3(b)(iii)** in respect of barter balances. In determining barter balances, the value of air time shall be based upon Seller's rates as of Closing, and corresponding goods and services shall include those to be received by the Station after Closing *plus* those received by the Station before Closing to the extent conveyed by Seller to Buyer as a part of the Assets.

(iv) No later than three (3) business days prior to the scheduled Closing Date, Seller shall provide Buyer with a statement setting forth a reasonably detailed computation of Seller's reasonable and good faith estimate of the Adjustment Amount (defined below) as of Closing, along with appropriate supporting documentation (the "Preliminary Adjustment Report"). As used herein, the "Adjustment Amount" means the net amount by which the Purchase Price is to be increased or decreased in accordance with this **Section 3(b)**. For illustrative purposes, **Schedule 3(b)** contains a pro forma of the Preliminary Adjustment Report as of the date of the Interim Balance Sheet (as defined in **Section 11(d)**). If the Adjustment Amount reflected on the Preliminary Adjustment Report is a credit to Buyer, then the Purchase Price payable at Closing shall be reduced by the amount of the preliminary Adjustment Amount, and if the Adjustment Amount reflected on the Preliminary Adjustment Report is a charge to Buyer, then the Purchase Price payable at Closing shall be increased by the amount of such preliminary Adjustment Amount. Buyer and its auditors will have sixty (60) days after the Closing to review the Preliminary Adjustment Report and the related books and records of Seller with respect to the Station and submit a notice to Seller of any objections thereto. If Buyer has no objections to the Preliminary Adjustment Report or if the parties are able to resolve any objections raised by Buyer through negotiations, then within three (3) business days thereafter Seller shall pay to Buyer or Buyer shall pay to Seller, as the case may be, an amount equal to the difference between (i) the agreed Adjustment

Amount, and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report.

(v) If the parties are unable to resolve any objections to the Preliminary Adjustment Report within thirty (30) days after such objections have been submitted and the net aggregate amount in dispute exceeds Twenty Thousand Dollars (\$20,000) or such amount as the parties may otherwise agree, then Seller and Buyer shall select an independent accounting firm of recognized national standing (the "Arbitrating Firm") to resolve the disputed items. If Seller and Buyer do not agree on the Arbitrating Firm within five (5) business days after the end of such 30-day period, then the Arbitrating Firm shall be a nationally recognized independent accounting firm selected by lot (after excluding one firm designated by Seller and one firm designated by Buyer), which may not be the regular outside accounting firm of any of the parties hereto. Buyer and Seller shall each inform the Arbitrating Firm in writing as to their respective positions with respect to the Adjustment Amount, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm's computation of the Adjustment Amount. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and upon completion to inform the parties in writing of its own determination of the Adjustment Amount and the basis for its determination. Any determination by the Arbitrating Firm in accordance with this **Section 3(b)(v)** shall be final and binding on the parties. Within three (3) business days after the Arbitrating Firm delivers to the parties its written determination of the Adjustment Amount, Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, an amount equal to the difference between (i) the Adjustment Amount as determined by the Arbitrating Firm, and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report. Seller and Buyer shall each be responsible for one-half (1/2) of the fees and expenses charged by the Arbitrating Firm for its services, but each party shall bear its own legal and other expenses, if any. If the net aggregate amount in dispute is equal to or less than Twenty Thousand Dollars (\$20,000) or such amount as the parties may otherwise agree, then the dispute shall not be submitted to the Arbitrating Firm, and such amount shall be divided equally between Buyer and Seller.

(vi) Concurrently with the payment of any amount required to be paid under this **Section 3(b)**, the payor shall pay the payee interest on such amount for the period from the Closing Date until the date paid at a rate equal to eight percent (8%) per annum. All payments to be made under this **Section 3(b)** shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States and shall for all purposes constitute an adjustment to the Purchase Price.

(c) *Allocation of the Purchase Price.* As soon as reasonably practicable (and in no event later than 60 days) after the final determination of the Adjustment Amount in accordance with **Section 3(b)**, Buyer and Seller shall enter into a written agreement allocating

the Purchase Price (the “Total Consideration”) among the Assets in accordance with the requirements of Section 1060 of the Internal Revenue Code, as amended (the “Code”), provided that while the Purchase Price may indirectly stand as consideration supporting the Non-Compete Agreement referred to in **Section (9)(i)(ii)** and appended as Exhibit B, no portion of the Purchase Price shall be directly allocable to or payable to the individual executing such agreement. The allocation of the Total Consideration among the Assets shall be based on an appraisal by Bond & Pecaro, whose fees shall be paid by Buyer. Buyer and Seller agree to furnish to each other and the Internal Revenue Service with such applicable information as may be required under Section 1060 and to cooperate in the completion and timely filing of IRS Form 8594 (Asset Acquisition Statement). A party may change the agreed-upon allocations and the allocations determined by the appraiser(s) only in order to be consistent with any adjustments made to the federal tax returns of such party.

**4. Assumed Liabilities.** At the Closing, Buyer will assume and agree to pay and perform, as and when due, all obligations and liabilities of Seller accruing and arising from and after the Closing Date under the Assumed Contracts (the “Assumed Liabilities”). Except for the Assumed Liabilities, Buyer shall not assume, nor shall it be liable or responsible for, any debts, liabilities, obligations or commitments of Seller or Parent whatsoever, whether actual, absolute, accrued, fixed, contingent, asserted or unasserted, known or unknown, and whether related or unrelated to the Business, including any (a) intercompany or other accounts payable, (b) long-term liabilities, (c) severance, deferred compensation or similar liabilities or obligations payable to the general manager, news director or other employee of the Station, (d) obligations or liabilities arising out of or relating to any pending litigation, (e) obligations or liabilities payable to the Goose Bay Joint Venture or Alaska Public Television, Inc. relating to rent, insurance or other lease payments due for periods prior to Closing, (f) third-party claims, (g) unfunded pension liabilities, (h) worker’s compensation liabilities, (i) taxes, (j) tort liabilities, (k) environmental liabilities or criminal claims, or (l) other debt, liability, contractual or other obligation of any kind or nature (including any obligations of Seller under the Design Agreement) arising out of or relating to the ownership, operation or conduct of the Business and/or the Assets prior to the Closing, including any forfeitures, fees, fines or penalties imposed by the FCC relating to the ownership, operation or conduct of the Business prior to the Closing (“Retained Liabilities”). Seller agrees to pay and perform, as and when due, all Retained Liabilities. In the event that Buyer becomes aware, after the Closing, of a claim relating to a Retained Liability, Buyer shall promptly notify Seller and Parent of such claim and agrees to reasonably cooperate with Seller and Parent in their efforts to investigate and/or defend against any such claim, such cooperation to include providing Seller and Parent with relevant documents and reasonable access to Buyer’s employees; *provided, that* nothing herein shall make Buyer liable or responsible in any way for any Retained Liability or any costs associated therewith.

**5. Documents of Transfer and Assignment.** Before the Closing, the parties shall cause to be prepared and approved by counsel for each of the parties all documents and instruments necessary or advisable to effect the transfers and assignments contemplated by this Agreement, including assignments of those of the Assumed Contracts to be completed and approved prior to Closing as set forth in Schedule 9(f). At Closing, Seller will execute and deliver to Buyer all bills of sale, vehicle titles and other documents or instruments of transfer or assignment as may be necessary or appropriate to vest in or confirm to Buyer full and complete title to all of the Assets, free and clear of all Liens other than Permitted Liens, and such other

documents as are required hereby to fulfill Seller's obligations hereunder. At Closing, Buyer will execute and deliver such instruments of assumption and other documents as are required hereby. All deliveries made at Closing shall be deemed to be simultaneously made, and no party shall be obligated to consummate the transactions contemplated by this Agreement unless and until all deliveries required hereunder have been fully made.

**6. Closing.** The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place on a date (the "Closing Date") selected by Buyer and Seller within ten (10) business days after the date of the FCC's initial grant of its consent to the assignment of the FCC Licenses to Buyer (the "FCC Order") at the offices of Barnes & Thornburg LLP, 600 1st Source Bank Center, 100 North Michigan, South Bend, IN 46601 or such other date, time and place as mutually agreed upon by Buyer and Seller; *provided*, that no petition to deny or other opposition to, or motion to reverse (whether by the FCC or otherwise) the assignment of the FCC Licenses (a "Petition") is filed with (or by) the FCC. In the event a Petition is filed with the FCC, the Closing Date shall, subject to **Section 15(a)(vii)**, be a date selected by Buyer within ten (10) business days after the date the FCC Order becomes a Final Order or on such other date selected by Buyer. For purposes of this Agreement, "Final Order" means an FCC Order (a) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (b) with respect to which no appeal, no timely request for stay, or petition for rehearing, reconsideration or review by any person or entity or by the FCC on its motion, is pending, and (c) as to which the time for filing any such appeal, request, petition, motion, notice or similar document or the time for reconsideration or review by the FCC on its own motion under the provisions of the Communications Act of 1934, as amended (the "Communications Act"), and the rules of the FCC has expired (or if any such appeal, request, petition, motion, notice or similar document has been filed, the FCC Order has been upheld in a proceeding pursuant thereto and no additional review or reconsideration may be sought).

## **7. Additional Agreements.**

(a) *Consummation of Agreement.* Subject to the terms and conditions herein provided, each of the parties agrees to use commercially reasonable efforts to do all things necessary, proper or advisable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement. Nothing contained in this Agreement shall be construed as an attempt to agree to assign any contract which is in law non-assignable without the consent of the other party or parties to such contract, and each of the parties hereto agrees to use its commercially reasonable efforts to obtain all consents, authorizations, orders and approvals of any governmental commission, board or other regulatory body, or any other person required in connection herewith. With respect to contracts, leases, agreements or other rights included in the Assets (other than the FCC Licenses) for which the necessary consents or approvals for assignment from Seller to Buyer have not been obtained prior to Closing, Seller shall use commercially reasonable efforts to (i) provide to Buyer, at the request of the Buyer and at Seller's expense, the benefits of any such contracts, leases, agreements, or other rights, (ii) cooperate in reasonable and lawful arrangements designed to provide such benefits to Buyer, and (iii) enforce, at the request of Buyer for the account of the Buyer, any rights of the Seller arising from any such contracts, leases, agreements, or other rights (including the right to elect to terminate in accordance with the terms thereof upon the advice of the Buyer). With respect to any real property lease to which Seller is a party (a "Seller Lease"),

Buyer and Seller shall use commercially reasonable efforts to obtain lessor approval for assignment of each Seller Lease to Buyer and to persuade each lessor of such Seller Lease to release Seller from liability accruing under the Seller Lease after the effective date of assignment; *provided, that* Buyer shall not be required to expend funds or assume any obligations or liabilities of Seller or Parent (relating to any time period prior to the Closing) in order to obtain such release. Notwithstanding anything to the contrary contained herein, nothing in this **Section 7(a)** shall be deemed to require Buyer or Seller and Parent to consummate the transactions contemplated by this Agreement unless all required consents and approvals have been obtained in accordance with **Section 9(f)** and **Section 10(e)**.

(b) *Full Access.* From the date hereof until the Closing Date or the termination of this Agreement pursuant to **Section 15**, Seller and Parent will give Buyer and its authorized representatives prompt and reasonable access to any and all premises, properties, contracts, commitments, books, records and affairs of Seller or Parent relating to the Business, including, without limitation, causing appropriate senior personnel of Seller or Parent to be made available for interviews by Buyer and its authorized representatives and providing such consents or waivers as may be requested by Buyer to obtain information from advertisers, suppliers and other persons doing business with the Station. In addition, Seller shall permit Buyer to perform engineering, environmental and workplace condition investigations and such other physical inspections as are reasonable at such times as are mutually agreed by the parties. Seller will cooperate and assist, to the extent reasonably requested by Buyer, with Buyer's investigation of the Assets and the Business. Buyer shall use its best efforts to conduct any such inspections and interviews so as to cause minimal disruption to the Business. Nothing in this paragraph shall be construed to give Buyer control over the Station prior to the Closing Date.

(c) *Control of the Station.* Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operations of the Station. Such operations, including control and supervision of all of the Station's employees and policies, shall be the responsibility of Seller.

(d) *Operation of the Business.* Between the date of this Agreement until the Closing or the termination of this Agreement pursuant to **Section 15**, except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall:

(i) operate the Station in the ordinary course of business (except where such conduct would conflict with the terms and conditions of this Agreement, including the following covenants);

(ii) pay all costs and expenses incurred by Seller as and when due in the ordinary course of business;

(iii) purchase, install and have operational a second channel for the Chyron system prior to Closing and replace any capital equipment or other items that breakdown, otherwise are not capable of normal commercial operation or need to be replaced in order to comply with any FCC or other applicable law, rule or regulation;

(iv) perform its obligations under all contracts and commitments;

(v) operate the Station in accordance in all material respects with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(vi) maintain the books of account and records of the Business in the ordinary course of business, consistent with past practice, and not make any change in accounting methods or practices;

(vii) use commercially reasonable efforts to (A) preserve the present business operations, organization (including without limitation retention of officers and employees) and goodwill of the Station (including enforcing, as if Seller had no present intention to sell the Station, any confidentiality, non-competition or non-solicitation obligations of present or former employees of the Station) and (B) maintain good relationships with persons having business dealings with the Station (including employees, agents, advertisers and other customers and vendors); *provided*, that Seller shall not be required to expend funds to retain such employees other than compensation and benefits currently payable to such employees in the ordinary course of business, and Seller shall have the right to terminate any employee in the ordinary course of business;

(viii) maintain (A) all of the Assets in their current condition, ordinary wear and tear excepted, and (B) insurance upon all Assets comparable in amount and scope of coverage to that in effect on the date of this Agreement;

(ix) not take any action that would result in any of the FCC Licenses being adversely modified, terminated or surrendered for cancellation or apply to the FCC to adversely modify any of the FCC Licenses or make any material changes in the programming of the Station other than in the ordinary course of business;

(x) not (A) sell, lease, license, convey or dispose of or agree to sell, lease, license, convey or dispose of any of the Assets (other than inventory or supplies consumed or disposed of in the ordinary course of business consistent with past practices), unless replaced with similar items of substantially equal or greater value and utility, or (B) create, assume or permit to exist any Liens upon the Assets, except for Permitted Liens;

(xi) except as otherwise required by law, (A) not enter into any employment, labor or union agreement or adopt or initiate any employee benefit plan (or amendments of any such existing agreements or plans) that will be binding upon Buyer after Closing or (B) increase the compensation payable to any employee of the Station, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by

this Agreement or in the ordinary course of business (including normal, annual increases in compensation consistent with Seller's existing business practice);

(xii) not make any payment or commitment to pay any severance or termination pay to any employee or any independent contractor, consultant, agent or other representative of a Seller, other than in the ordinary course of business, consistent with past practice or as required by any existing contract, inclusive of amounts payable pursuant to deferred compensation arrangements in place and severance arrangements with operations personnel, as set forth on **Schedule 7(d)(xii)**, and only to the extent that any such commitment does not create any liability for Buyer;

(xiii) not amend or renew any Assumed Contracts or enter into new contracts or agreements unless any such contract or agreement (A) requires the payment by or on behalf of the Station of annual consideration consisting of no more than Ten Thousand Dollars (\$10,000) individually and Fifty Thousand Dollars (\$50,000) in the aggregate for all such contracts or agreements, and (B) each such contract or agreement is either (1) subject to termination on ninety (90) days notice or (2) will be fully performed and satisfied on or prior to the date ninety (90) days following its execution; and

(xiv) not enter into any binding agreement with respect to any of the foregoing.

Seller shall promptly advise Buyer in writing of any material adverse change in the results of operations, condition (financial or otherwise), Assets, liabilities or prospects of the Business prior to Closing.

(e) *FCC Applications.* Within five (5) business days after the execution of this Agreement, Buyer and Seller shall prepare, file and prosecute, at their own cost and expense, all applications and other documents necessary to obtain the consent of the FCC to the assignment of the FCC Licenses to Buyer. Subject to **Schedule 11(j)**, each of Buyer and Seller shall use commercially reasonable efforts to take or cause to be taken all actions necessary or appropriate to be taken by such party to permit the FCC to issue the FCC Order in a timely manner, shall cooperate with each other in the preparation, filing and prosecution of the FCC applications and agree to furnish all information required by the FCC in connection with the FCC applications; *provided, however*, that neither party shall be required to comply with any FCC request that would have a material adverse affect on the Station. Buyer and 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. Subject to **Schedule 11(j)**, neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, be materially inconsistent with the terms of this Agreement or reasonably be expected to have the effect of materially delaying the grant of the FCC Order. Each party hereto will promptly provide to the other parties a copy of any pleading, order or other document served on or delivered to it relating to the FCC applications.

(f) *Employees.*

(i) Seller agrees to use commercially reasonable efforts to retain the services of all of the employees of the Business until the Closing Date and, if applicable, encourage such employees to accept employment offers (if any) from Buyer; *provided*, that Seller shall not be required to expend funds to retain such employees other than compensation and benefits currently payable to such employees in the ordinary course of business, and Seller shall have the right to terminate any employee in the ordinary course of business. As soon as reasonably practicable after the date of execution of this Agreement, Seller shall provide to Buyer a list of all employees currently employed at or by the Station. Seller shall promptly notify Buyer of the termination of employment or change in position of any such employees and any new hires occurring prior to the Closing. Prior to the Closing, Buyer shall have the right to interview Seller's or Parent's employees engaged in the Business and, if it so desires, solicit such employees for employment by Buyer from and after the Closing Date. Buyer presently intends to hire substantially all of the employees of the Business, and while Buyer reserves the right to hire its own work force, Buyer agrees that it will offer substantially equivalent employment to not less than a Minimum Number of Seller's employees as of the Closing. For purposes hereof, "Minimum Number" means the total number of Seller's active employees at Closing, *less* forty-five (45). Any employee of Seller who accepts Buyer's offer of employment and becomes an employee of Buyer as of Closing is referred to herein as a "Transferred Employee". Buyer agrees to defend and indemnify Seller and Parent for any claims against them or either of them for violations under the Worker Adjustment and Retraining Notification Act resulting from Buyer's breach of its covenants under this **Section 7(f)(i)**.

(ii) At or immediately after Closing, Seller will: (A) take such action as may be required to terminate the employment of each Transferred Employee (without any liability to Buyer); (B) 100% vest the entire account balance of each Transferred Employee under any of Seller's pension, profit sharing or 401(k) plans as of the Closing Date; (C) make all employer contributions allocable to each Transferred Employee under any such 401(k) or profit sharing plans for all periods through the Closing Date; and (D) subject to **Section 7(f)(iii)**, pay to each employee of the Business all wages and other benefits owed by Seller in connection with the termination of such employee's employment with Seller, including providing all required continuation coverage under any group health plan or plans pursuant to the relevant provisions of the federal Consolidated Omnibus Budget Reconciliation Act ("COBRA"), provided that Seller may require such employees to pay for such continuation coverage to the extent permitted by law.

(iii) Accrued but unused vacation time for Transferred Employees will be paid and/or credited as provided in **Schedule 7(f)(iii)**. Buyer will comply with all applicable federal and Alaska laws pertaining to health

insurance offered to Transferred Employees including, but not limited to, any applicable provisions of Alaska statutes 21.54.100 – 21.54.500.

(iv) Buyer shall permit Transferred Employees to participate in Buyer's employee benefit plans, programs, policies and arrangements ("Buyer's Employee Plans") in which similarly situated employees are generally eligible to participate, subject to applicable eligibility requirements of Buyer's Employee Plans. Service of Transferred Employees with Seller shall be included for purposes of determining any period of eligibility to participate (but subject to any mandatory waiting periods), or to vest in benefits under Buyer's Employee Plans (but not for benefit accrual or any other purpose under Buyer's Employee Plans). Service will be credited and calculated under the applicable provisions of Buyer's Employee Plans. Notwithstanding anything to the contrary herein, service of Transferred Employees with Seller will be credited to determine rate of vacation accrual and calculation of severance pay under Buyer's vacation and severance plans or programs (to the extent such Transferred Employees are otherwise eligible to participate in such plans or programs, if any).

(v) Buyer shall permit Transferred Employees who have an account balance under Seller's 401(k) plan (the "Seller's Plan") to rollover (whether by direct or indirect rollover, as selected by such Transferred Employees) his or her "eligible rollover distribution" (as defined under Section 402(c)(4) of the Code), including any note evidencing a loan to the Transferred Employee, from the Seller's Plan to the 401(k) plan maintained by Buyer ("Buyer's 401(k) Plan"); *provided, however, that* no transfer of after tax contributions are permitted to be rolled over to Buyer's 401(k) Plan and no loans secured by after tax contributions may be transferred to Buyer's 401(k) Plan. Neither Seller nor the Seller's Plan shall place any Transferred Employee's plan loan into default or declare a default with respect to any plan loan so long as such Transferred Employee transfers his or her account balance under the Seller's Plan, together with the promissory note evidencing the plan loan and the applicable loan documentation, to Buyer's 401(k) Plan through a direct rollover on or as soon as administratively possible after the Closing Date.

(vi) In order to facilitate continued health insurance coverage for Transferred Employees, Seller shall work with Buyer to permit, as necessary, Transferred Employees to elect COBRA coverage through Seller's health insurance plan through December 31, 2008 (or such earlier date as Buyer's health insurance coverage begins for Transferred Employees and such Transferred Employees elect such coverage or such earlier date that COBRA coverage would otherwise end); *provided, however, that* Seller will not be required to pay any premiums towards such COBRA coverage, and Buyer agrees to pay a portion of the cost of such COBRA coverage on behalf of the Transferred Employees after Closing in the same proportion that such health insurance costs were paid by Seller for the Transferred Employees prior to Closing.

(g) *Accounts Receivable.*

(i) As of the Closing Date, Seller will assign all outstanding accounts receivable related to the Business as of the Closing Date (the “Accounts Receivable”) to Buyer for purposes of collection only. Buyer will thereafter collect the Accounts Receivable as Seller’s agent in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable until one hundred eighty (180) days following the Closing Date (the “Collection Period”). Buyer shall not be obligated to institute litigation, employ any collection agency, legal counsel or other third party or take any other extraordinary means of collection; and Buyer shall not compromise, settle or adjust any of the Accounts Receivable without receiving the written approval of Seller.

(ii) On the Closing Date, Seller shall deliver to Buyer a complete and detailed statement of all Accounts Receivable. Neither Seller nor its agents will make any solicitation of such Accounts Receivable for collection purposes nor will Seller or its agents institute any litigation for the collection of any Accounts Receivable during the Collection Period, except with respect to Accounts Receivable returned to Seller for collection as set forth below. Within ten (10) days after the end of each month during the Collection Period and after the end of the Collection Period, Buyer shall pay to Seller all amounts collected by Buyer on the Accounts Receivable during the preceding month and shall provide Seller with a statement identifying the Accounts Receivable that have been collected during the relevant period. Seller shall be solely responsible to pay any commissions that may be due to any employee of the Station (whether or not hired by Buyer) with respect to such collection, provided that such commissions are payable pursuant to arrangements made between Seller and each such employee prior to Closing. All amounts received by Buyer with respect to accounts included among the Accounts Receivable shall be applied to the oldest account first, unless the account debtor disputes a receivable or directs or otherwise indicates that the payment be otherwise applied. If, during the Collection Period, an account debtor disputes an account included in the Accounts Receivable, Buyer may return that account to Seller for collection, and Buyer shall have no further obligations concerning such Account. At the end of the Collection Period, any remaining Accounts Receivable shall be reassigned to Seller, and thereafter Buyer shall have no further obligation with respect to the Accounts Receivable.

(iii) Buyer shall not have any duty to inquire as to the form, manner of execution or validity of any item, document, instrument or notice deposited, received or delivered in connection with its collection efforts under this **Section 7(g)**, nor shall Buyer have any duty to inquire as to the identity, authority or rights of the person or persons who executed such documents, instruments or notices. Seller shall indemnify, defend and hold harmless Buyer and its shareholders, officers, directors, employees, agents, successors, assigns and affiliates from and against any and all judgments, claims, liabilities, costs and expenses (including reasonable attorneys’ fees and court costs) that Buyer or its

shareholders, officers, directors, employees, agents, successors, assigns and affiliates may suffer or incur which arise out of, result from or relate to its collection efforts under this **Section 7(g)**; *provided, that* such efforts are undertaken in good faith and in accordance with applicable law.

(h) *No Negotiations.* Between the date hereof and the earlier of the Closing Date or the termination of this Agreement in accordance with **Section 15**, nether Seller nor Parent, directly or indirectly, through any officer, director, employee, affiliate, investment banker or other representative or agent of any of them or otherwise, shall solicit, initiate, encourage or entertain any inquiries or proposals from, or engage in any discussions or negotiations with, any person or entity other than Buyer, concerning any merger, sale of stock, sale of assets, business combination or similar transaction involving or affecting ownership or operation of the Business or the Assets. Seller will notify Buyer as promptly as practicable of all relevant terms of any proposal by a third party to do any of the foregoing that Seller, Parent or any of their respective officers, directors, employees, investment bankers, financial advisors, attorneys, accountants or other representatives may receive or be aware of relating to any of the foregoing.

(i) *Confidentiality; Publicity.* The provisions of this Agreement and any other documents entered into in connection with the transactions contemplated by this Agreement shall be confidential and shall not be disclosed to any other person or entity, except in accordance with the prior written consent of the other parties, as otherwise required by applicable law, or as may be necessary for the consummation of the transactions contemplated by this Agreement, including, by way of example, the prosecution of assignment applications with the FCC. Prior to Closing, the contents of any announcements to the general public, employees, customers or suppliers of the Business or any other statements to third parties relating to the transactions contemplated by this Agreement shall be mutually agreed to by the parties prior to the making of any such announcement; *provided, that* each party hereto may make disclosures which it in good faith believes, based on the advice of counsel, is reasonably necessary to comply with any requirement of law or regulation or to fulfill a party's obligations under this Agreement.

(j) *Notification.* Between the date hereof and the Closing, Seller shall notify Buyer promptly, in writing, of any fact or matter hereafter arising or discovered that causes or constitutes an inaccuracy or breach of any of Seller's or Parent's representations or warranties or in Seller's schedules attached hereto, and Buyer shall notify Seller promptly, in writing, of any material inaccuracy in such schedules of which Buyer has actual knowledge. Notwithstanding the foregoing, nothing in this **Section 7(j)** shall affect any rights of Buyer under **Sections 9, 13** or **15** of this Agreement; *provided, that* Buyer shall not have a claim for indemnification under **Section 13** with respect to any material inaccuracy in Seller's schedules to the extent that Buyer had actual knowledge of such inaccuracy and failed to notify Seller in accordance with this **Section 7(j)**.

(k) *Insurance.* The parties acknowledge and agree that Seller shall be responsible, both before and after the Closing, for promptly filing and handling any libel, slander or similar claim related to the operation of the Station prior to the Closing (a "Libel or Slander Claim") through Seller's existing insurance arrangements. Prior to the Closing Date, Seller will notify its insurance company and Buyer, in writing, of any incident occurring prior to Closing

about which it has Knowledge that reasonably could be expected to form the basis of any Libel or Slander Claim.

(l) *Risk of Loss.*

(i) The risk of loss of any of the Assets prior to the Closing shall be upon Seller. In the event that Assets with a value of \$500,000 or less are damaged or lost, Seller shall use commercially reasonable efforts to repair or replace such damaged or lost Assets to their former condition as soon as possible after such damage or loss and, in any event, prior to Closing. In the event Seller is unable to repair or replace such damaged or lost Assets prior to Closing, Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and the parties shall agree to consummate the Closing with such adjustments to the Purchase Price to account for any loss or damage not covered by the insurance proceeds.

(ii) If (A) Assets with a value of greater than \$500,000 are damaged or lost, or (B) any Assets necessary to ensure the continuous broadcasting by the Station at authorized power levels are damaged or lost as of the date otherwise scheduled for Closing, then Buyer, at its option, may elect to (i) terminate this Agreement and neither party shall have any further obligation to the other party (except as otherwise provided in **Section 15(b)**), or (ii) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer and the Purchase Price shall be adjusted to account for any loss or damage to the Assets not covered by the insurance proceeds.

(m) *Interim Financial Statements.* Within thirty-five (35) days after the end of each calendar month between the date hereof and the earlier of the Closing or the termination of this Agreement, Seller and Parent will deliver to Buyer an unaudited balance sheet for the Business and related statements of income or loss, cash flow and retained earnings for the preceding month.

(n) *Pre-Closing Cooperation; Post-Closing Assistance.* Seller and Parent agree to cooperate and work with Buyer prior to the Closing, to the extent reasonably requested by Buyer, to allow for the smooth transition of the Business at Closing, including providing advice and assistance to Buyer with respect to, and allowing Buyer reasonable access to employees of Seller and Parent, if applicable, to assist in the transition to Buyer of administrative, accounting, computer and other systems for the Business. Buyer and Seller will work together so that the provision of such advice and assistance causes minimal disruption to the Business. For a period of not more than ninety (90) days after Closing and without further consideration, Seller and Parent agree to provide advice and assistance to Buyer in order to complete the transition of the Business to Buyer, including providing Buyer with access to any computer servers owned or maintained by Parent relating to the Business. Seller and Parent also agree to cooperate with and assist Buyer at no cost to Seller to the extent necessary to enforce any nondisclosure, noncompetition, nonsolicitation or similar covenants and/or agreements between Seller and any of its employees subject in each case to the terms of such agreements.

(o) *2GHz Order.* Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (i) pursuant to the FCC's Report and Order (released August 6, 2004), the Supplemental Order and Order on Reconsideration (released December 22, 2004), and the Memorandum Opinion and Order (released October 5, 2005) in WT Docket No. 02-55, and the rules adopted thereby, as may be amended from time to time (the "2GHz Order"), Seller may be required to relocate certain of the FCC Licenses and to replace certain equipment related thereto pursuant to a Frequency Relocation Agreement to be entered into with Sprint Nextel Corporation consistent with similar agreements entered into by similarly situated television stations, or some subsidiary or affiliate thereof, in accordance with the 2 GHz Order, and (ii) any such actions taken in accordance with the 2GHz Order shall not be considered a breach or violation of this Agreement.

## **8. Agreements Relating to Real Property.**

(a) *Title.* Buyer may, at any time, and at its own expense, obtain one or more commitments issued by a title company acceptable to Buyer (the "Title Company") for the issuance of a leasehold policy issued by the Title Company written on an ALTA form, agreeing to insure Buyer's leasehold estate in each of the Seller Leases in such amount as Buyer chooses. Seller shall cooperate with Buyer's efforts to obtain such leasehold title insurance, at no expense to Seller.

(b) *Environmental Site Assessment.* Prior to the Closing, Buyer may retain environmental consultants to conduct a Phase I environmental site assessment of each parcel of real property described in the Seller Leases and each parcel of real property used by Seller, directly or indirectly, through the Goose Bay Joint Venture or ABTC (collectively with the real property related to the Seller Leases, the "Leased Real Property"), subject to the consent of the owner of such Leased Real Property, to be performed by a firm qualified to perform, and experienced in performing, such assessments (the "Environmental Firm"). If the Environmental Firm reasonably determines as a result of those assessments that further investigation or testing is necessary, the Buyer may cause the Environmental Firm to perform Phase II environmental site assessments at the Leased Real Property (subject to the consent of the owner of such Leased Real Property). Buyer will use its commercially reasonable efforts to cause all environmental site assessments to be completed on or before the date that the FCC Order is obtained. All costs relating to Phase I and Phase II assessments, if any, and any other environmental testing shall be paid by Buyer. Buyer shall indemnify, defend and hold harmless Seller and the owner of each parcel of Leased Real Property, and their respective shareholders, officers, directors, employees, agents, successors, assigns and affiliates from and against any and all damages caused to the Leased Real Property by the testing and inspection activities of Buyer; *provided, that* such indemnity shall not include, and Buyer shall not be responsible for, any such costs or damages (i) caused by the acts of Seller, Parent or any of their respective employees, agents or representatives, or (ii) relating to the consequences of discovery of any condition that existed prior to, and not as a result of, Buyer's activities on the Leased Real Property, including any claim of diminution in value of the Leased Real Property as a consequence of the results revealed by such tests or inspections.

**9. Conditions to Obligation of Buyer.** The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction on or before the

Closing Date of the following conditions (unless any such condition shall be waived in writing in whole or in part by Buyer):

(a) *Representations and Warranties.* All representations and warranties of Seller and Parent contained in or made pursuant to this Agreement which are qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

(b) *Performance of Agreement.* Seller and Parent shall have performed, observed and complied in all material respects with all the obligations and conditions required by this Agreement to be performed, observed or complied with by each of them on or before the Closing Date, including the execution and delivery of all agreements, documents or instruments required to be delivered at Closing.

(c) *Litigation; Injunctions.* No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated hereby or which would limit or affect Buyer's ownership or control of the Assets or the Business, and there shall not have been threatened, nor shall there be pending, any action or proceeding by or before any court or governmental agency or other regulatory or administrative agency or commission challenging any of the transactions contemplated by this Agreement.

(d) *Real Property.* Buyer shall (i) have received executed lease assignment agreements (or, if applicable, subleases), each in a form reasonably satisfactory to Buyer and Seller, from Seller and each lessor under the Seller Leases, or (ii) have entered into new leases with such landlords on terms reasonably satisfactory to Buyer.

(e) *FCC Consents.* The FCC Order shall have been obtained.

(f) *Consents and Approvals.* The consents and approvals listed on **Schedule 9(f)** shall have been obtained.

(g) *Absence of Changes.* The Business shall not have suffered any material adverse change to the condition or regulatory status of the Assets, and the Seller shall not have suffered employee attrition greater than twenty percent (20%) of all full-time employees employed as of the date hereof (an "Attrition Event"). For purposes of determining whether an Attrition Event has occurred, the following employees of Seller shall not be counted: (i) an employee who terminates employment with Seller but who is replaced by Seller prior to Closing with a similarly qualified employee, and (ii) an employee who, after being informed by Buyer that he or she will not be offered employment by Buyer on or after the Closing, terminates employment with Seller.

(h) *Lien Searches.* Seller shall have delivered to Buyer: (i) current Uniform Commercial Code financing statement and state, local and federal tax, judgment, bankruptcy and similar lien searches disclosing all liens and encumbrances on the Assets; and (ii) written releases from the holders of any such security interests, liens or other encumbrances with respect thereto.

(i) *Additional Documents.* Each of the following documents shall have been delivered to Buyer:

(i) Seller's stock certificates in ABTC and such documents of transfer or assignment, in a form reasonably satisfactory to Buyer, conveying all of Seller's capital stock in ABTC to Buyer free and clear of all Liens;

(ii) A five (5) year nondisclosure, nonsolicitation and noncompetition agreement, containing substantially the same terms as in **Section 14** hereof (a "Non-Compete Agreement"), in the form appended as Exhibit B, executed by Greg Zaser;

(iii) A certificate of Seller, signed by a duly authorized officer of Seller as of the Closing Date, certifying to the fulfillment of the conditions set forth in **Sections 9(a)** and **9(b)** hereof and stating that to the best of Seller's Knowledge, the conditions specified in this **Section 9** have been fulfilled as of the Closing Date;

(iv) A copy of the Articles of Incorporation of Seller and Parent, together with a certificate of good standing for each of Seller and Parent, certified by the Secretary of State of the jurisdiction of such party's organization, as of a date no more than seven (7) days prior to the Closing Date;

(v) Copies of the resolutions of Board of Directors and, if applicable, the shareholders of Seller and Parent, certified by a duly authorized officer of each such party, authorizing (A) the execution and delivery of this Agreement and the other agreements contemplated hereby, and (B) the taking of all steps necessary to consummate the transactions and fulfill their obligations under this Agreement and all agreements contemplated hereby; and

(vi) Such other documents as Buyer reasonably may request in order to facilitate the consummation of the transactions contemplated by this Agreement.

**10. Conditions to Obligations of Seller and Parent.** The obligation of Seller and Parent to consummate the transactions contemplated under this Agreement is subject to the satisfaction on or before the Closing Date of the following conditions (unless any such condition shall be waived in writing in whole or in part by Seller):

(a) *Representations and Warranties.* All representations and warranties of Buyer contained in or made pursuant to this Agreement which are qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

(b) *Performance of Agreement.* Buyer shall have performed, observed and complied in all material respects with all the obligations and conditions required by this Agreement to be performed, observed or complied with by Buyer on the Closing Date, including

the execution and delivery of all agreements, documents or instruments required to be delivered at Closing.

(c) *Litigation; Injunctions.* No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated hereby, and there shall not have been threatened, nor shall there be pending, any action or proceeding by or before any court or governmental agency or other regulatory or administrative agency or commission, challenging any of the transactions contemplated by this Agreement.

(d) *FCC Consent.* The FCC Order shall have been obtained.

(e) *Consents and Approvals.* The consents and approvals listed on **Schedule 9(f)** shall have been obtained.

(f) *Additional Documents.* Each of the following documents shall have been delivered to Seller:

(i) A certificate from each of Buyer and, if applicable, Buyer's Assignee, signed by an officer of such entity as of the Closing Date, certifying to the fulfillment of the conditions set forth in **Sections 10(a)** and **10(b)** hereof and stating that to the best of the Knowledge of such entity(ies), the conditions specified in this **Section 10** have been fulfilled as of the Closing Date;

(ii) A certificate of existence or similar certificate for Buyer's Assignee, certified by the Secretary of State of the jurisdiction of its incorporation, as of a date no more than seven (7) days prior to the Closing Date;

(iii) Copies of the resolutions of the Boards of Directors of each of Buyer and Buyer's Assignee (if applicable), certified by a duly authorized officer of such entity, authorizing (A) the execution and delivery of this Agreement and the other agreements contemplated hereby, and (B) the taking of all steps necessary to consummate the transactions and such entity's obligations under this Agreement and all agreements contemplated hereby; and

(iv) Such other documents as Seller reasonably may request in order to facilitate the consummation of the transactions contemplated by this Agreement.

**11. Representations and Warranties of Seller and Parent.** As of the date hereof and as of the Closing Date, Seller and Parent jointly and severally represent and warrant to Buyer as follows:

(a) *Organization; Power and Authority.* Each of Seller and Parent is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and is in good standing under the laws of all jurisdictions in which its ownership or use of property or the conduct of its business requires it to qualify. Each of Seller and Parent have all necessary power and authority to own all of its properties and assets, to conduct its business as now being conducted, and to

make, execute, deliver, and perform this Agreement and the other documents and instruments contemplated hereby. Other than its 5000 shares of common stock in ABTC and its interest in the Goose Bay Joint Venture, Seller does not own, or have any contract or commitment to acquire, any equity securities or other securities of any entity or any direct or indirect equity or ownership interest in any other business.

(b) *Execution, Delivery and Validity.* The execution, delivery and performance of this Agreement by each of Seller and Parent has been duly authorized by all requisite corporate action. This Agreement and all other agreements contemplated hereby are or, upon the execution and delivery thereof will be, the valid and binding obligations of each of Seller and Parent, enforceable against each of them in accordance with their terms.

(c) *Noncontravention.* Except as set forth on **Schedule 11(c)** attached hereto, the execution, delivery and performance of this Agreement and the other agreements contemplated hereby by Seller and Parent, and the consummation of the transactions contemplated hereby or thereby, do not and will not: (i) conflict with or result in a breach of any of the provisions of the Articles of Incorporation, Bylaws or other governing documents of Seller or Parent; (ii) contravene any law, rule or regulation or any order, writ, award, judgment, decree or other determination which affects or binds Seller, Parent or any of their properties; (iii) conflict with, result in a breach of, constitute a default under, or give rise to a right of acceleration, termination or the imposition of penalties under any contract, deed of trust, mortgage, trust, lease, governmental or other license, permit or other authorization, contract, agreement, note or any other agreement, instrument or restriction to which either of Seller or Parent is a party or by which any of their properties may be affected or bound; or (iv) require the approval, consent or authorization of, or the making of any declaration, filing or registration with, any foreign, federal, state or local court, governmental authority or regulatory body or with any lender, customer or other third party, except with respect to the assignment of the FCC Licenses.

(d) *Financial Statements.* Seller has delivered to Buyer (i) audited balance sheets of Seller relating to the Business and related statements of income or loss, cash flow and retained earnings for each of the twelve-month periods ending on December 31, 2004, 2005 and 2006 (the "Audited Financial Statements"), and (ii) an unaudited balance sheet of Seller relating to the Business ("Interim Balance Sheet") and related statements of income or loss, cash flow and retained earnings for the twelve-month period ending on December 31, 2007 (together with the Interim Balance Sheet, the "Interim Financial Statements" and collectively with the Audited Financial Statements, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the indicated periods, and fairly present the financial condition and results of operation of Seller (including the results of operation of the Goose Bay Joint Venture allocable to Seller accounted for in Seller's Financial Statements pursuant to the equity method of accounting) at the dates and for the relevant periods indicated, subject, in the case of the Interim Financial Statements, to normal recurring year-end adjustments (none of which, individually or in the aggregate, are material), the absence of notes (that if presented, would not differ materially from those included in the Audited Financial Statements) and the other exceptions to GAAP listed on **Schedule 11(d)** attached hereto. The Financial Statements accurately reflect the books and accounts of Seller with respect to the Business. The books and records of the Seller are accurate in all material respects, the

transactions entered therein represent bona fide transactions, and all revenues and expenses of the Business have been properly recorded in such books in all material respects.

(e) *Undisclosed Liabilities.* Neither Seller nor Parent has any material liabilities or obligations relating to the Business or the Assets of any type, nature or description, known or unknown, asserted or unasserted, direct or indirect, absolute or contingent, other than those set forth on the Interim Balance Sheet or which have been incurred in the ordinary course of business since the date of the Interim Balance Sheet, none of which are material or adverse.

(f) *Material or Adverse Changes.* Except as set forth on **Schedule 11(f)** attached hereto and as may have affected the television industry as a whole, from January 1, 2007 to the date of execution of this Agreement, there has not been: (i) any material adverse change to the financial condition, results of operations, assets, liabilities or prospects of the Business; (ii) any liability or obligation of any nature incurred by Seller other than in the ordinary and customary course of business, all of which are recorded on Seller's books of original entry; (iii) any notes or accounts receivable written-off as uncollectible, except write-offs in the ordinary course of business and consistent with past practice (none of which individually or in the aggregate, were material); (iv) any damage, destruction, loss or casualty to the Assets, whether or not covered by insurance; (v) any transaction not in the ordinary and customary course of the Business; (vi) any alteration in the manner of keeping the books, accounts or records of Seller pertaining to the Business or in the accounting practices therein reflected; (vii) any action taken that has resulted or reasonably could be expected to result in any of the Assets being mortgaged, pledged or subjected to any lien or encumbrance of any nature; (viii) any sales or transfers of any Asset or transaction relating to the Business or the Assets other than in the ordinary and customary course of business; (ix) aside from normal, annual raises occurring in the ordinary course of business and consistent with past practice, and aside from deferred compensation to become due Seller's General Manager and Seller's News Director, any increase in the salary, bonus or other compensation arrangements payable or to become payable to employees of the Business; (x) any material change in the programming of the Station; or (xi) any change in relationships between the Business and advertisers, suppliers, employees or agents, that individually or in the aggregate, would have a material adverse effect on the condition or operations of the Business.

(g) *Taxes.*

(i) Each of Seller and Parent has duly and timely filed or caused to be filed, all tax returns and information returns relating to the Business and the Assets that are or were required to be filed for all periods prior to the Closing Date, or has obtained timely extensions for the filing of such tax returns and all such tax returns are accurate and complete and fairly reflect the taxes for such periods. Seller has paid all taxes with respect to the Business and Assets which are due and payable through the Closing Date or claimed to be due by federal, state or local taxing authorities. There are no other taxes payable on account of the operation of the Business except: (i) as are reflected or reserved against on the Interim Balance Sheet; or (ii) taxes arising from the conduct of the Business and ownership of its properties for and during periods subsequent to the Interim Balance Sheet which are not yet due and for which Seller has made

adequate reserves in its books and records of account. For purposes of this Agreement, “taxes” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

(ii) **Schedule 11(g)** lists the jurisdictions in which Seller files or is required to file any tax returns relating to the Business or the Assets. No communication has been received by Seller or Parent from any state taxing authority (including, but not limited to foreign states) requesting information concerning the extent of Seller’s nexus with such state or asserting that Seller has such nexus so as to impose such state’s taxing jurisdiction on Seller. Seller does not have nexus with any state in which it does not currently file tax returns which would allow such state to impose its taxing jurisdiction on Seller.

(iii) There are no tax liens upon any of the Assets, except liens for taxes not yet due and payable.

(iv) There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax returns of Seller or the payment by, or the assessment against, Seller of any tax. There are no suits, actions, claims, investigations, inquiries or other proceedings pending or, to the Knowledge of Seller or Parent, threatened in respect of taxes relating to the Business or the Assets, or any matters under discussion with any governmental authority relating to taxes or any claims for additional taxes asserted by any such authority. Seller has not waived or extended any applicable statute of limitations relating to the assessment of any tax.

(v) All taxes that Seller is or was required to withhold, deduct or collect have been duly withheld, deducted and collected and, to the extent required, have been paid to the proper governmental authorities.

(vi) Seller is not a foreign person within the meaning of Section 1445 of the Code, does not have any liability for the taxes of any other person or entity, and is not a party to any tax sharing agreement, tax allocation agreement, tax indemnity obligation or similar agreement, understanding or practice.

(h) *Litigation and Other Claims.* Except as set forth on **Schedule 11(h)**, there are no actions, suits, claims, orders, audits, investigations, inquiries or proceedings (judicial, administrative or otherwise) pending or, to the Knowledge of Seller or Parent, threatened against Seller or affecting the Business or the Assets, whether at law or in equity and whether civil or criminal in nature, or before or by any court, arbitration panel, governmental department, commission, board, bureau, agency or instrumentality. Neither Seller nor Parent has any

Knowledge of any facts or events which reasonably could be expected to form the basis for any such action, suit, claim, audit, investigation, inquiry or proceeding not already disclosed on **Schedule 11(h)**.

(i) *Compliance with Laws.* Except as set forth in **Schedule 11(i)** hereto, Seller is and at all times prior hereto has conducted the Business in compliance in all material respects with all applicable statutes, laws, ordinances, rules, regulations and orders of governments and governmental bodies applicable to the Business, and neither Seller nor Parent has received any notice asserting non-compliance. Seller owns, holds and possesses, and is in compliance with, all franchises, permits, licenses, certificates, privileges, immunities, approvals and other authorizations necessary to own or lease, operate and use the Assets and to carry on and conduct the Business as now conducted.

(j) *FCC Matters.* **Schedule 11(j)** attached hereto sets forth a true and complete list of the FCC Licenses held or used by Seller (including those licenses held or used by ABTC or the State of Alaska (referred to herein as the “ABTC Licenses”)) and used in the operation of the Station. The FCC Licenses on **Schedule 11(j)** constitute all of the licenses, permits and authorizations from the FCC that are necessary or required for and/or used to operate the Station on and after the Closing in the same manner that the Station is operating as of the date of this Agreement. The FCC Licenses (other than the ABTC Licenses) are valid and in full force and effect through the dates set forth on **Schedule 11(j)**. To the Knowledge of Seller or Parent, the ABTC Licenses are valid and in full force and effect through the dates set forth on **Schedule 11(j)**. Except as set forth in **Schedule 11(j)** hereto, the Station has been operated by Seller in all material respects in accordance with the terms of the FCC Licenses, the Communications Act and the rules, regulations and policies of the FCC. Except as set forth on **Schedule 11(j)**, to the Knowledge of Seller or Parent, all translators and all broadcasting and other equipment used by Seller which is not owned or licensed to Seller or ABTC are operated in material compliance with all applicable FCC licenses, permits and authorizations, the Communications Act and the rules, regulations and policies of the FCC. Except as set forth on **Schedule 11(j)**, no application, action or proceeding is pending for the renewal or modification of any of the FCC Licenses, and no application, complaint, action or proceeding is pending or, to the Knowledge of Seller or Parent, threatened against Seller or the Station that may result in (a) the revocation, material modification, non-renewal or suspension of any of the FCC Licenses, (b) the issuance of a cease-and-desist order, (c) the imposition of any administrative or judicial sanction with respect to the Station, or (d) the denial of an application for renewal for the Station. Except as set forth on **Schedule 11(j)**, neither Seller nor Parent has any Knowledge of any facts, conditions or events relating to the Station that would reasonably be expected to cause the FCC to deny the assignment of the FCC Licenses as provided for in this Agreement. Seller has filed with the FCC all reports, forms and statements required by the FCC to be filed by Seller relating to the Station, including, without limitation, applications for renewal of authority required by applicable statutes, regulations and other laws. None of the FCC Licenses are subject to any restrictions or conditions that would limit in any material respect the operation of the Station as currently conducted. Except as set forth on **Schedule 11(j)**, the Station has been assigned a channel by the FCC for the provision of digital television (“DTV”) service, the FCC Licenses include such authorization and, as of the Closing Date, the Station is operating at its full, assigned digital power. The Station is broadcasting the DTV signal in accordance with such authorization in all material respects.

(k) *Real Property.* Seller does not own any real property that in any way relates to or is used by or in connection with the Business and the Assets. **Schedule 11(k)** sets forth the address and legal description of each parcel of Leased Real Property. Except as set forth on **Schedule 11(k)**, each parcel of Leased Real Property is the subject of a written lease agreement, and there are no oral terms or past practices inconsistent with the written terms thereof. True, complete and correct copies of all leases or other agreements relating to the Leased Real Property have been delivered to Buyer (including any supplements, amendments or side letters relating thereto), and such leases are valid and in full force and effect in accordance with their respective terms. Seller is the lessee under each Seller Lease, and holds a valid leasehold interest in accordance with the terms of each respective Seller Lease. Seller has actual and subject to **Schedule 11(k)** exclusive possession of all real property described in the Seller Leases (the “Seller Leased Property”) and has not subleased, licensed or otherwise granted any person or entity the right to use or occupy any portion of the Seller Leased Property. All of the rental and other payments payable by Seller with respect to the Seller Leased Property are current, there is no default under any Seller Lease either by the landlord or by the tenant thereunder, and, to the Knowledge of Seller, no event has occurred which, with the lapse of time or the giving of notice or both, would constitute a default thereunder. To Seller’s Knowledge, all buildings, structures and improvements and all electrical, plumbing, heating, cooling and mechanical equipment and systems located on the Seller Leased Property are in good working order (normal wear and tear excepted) and free from any material defect. Each parcel of Seller Leased Property is currently served by all appropriate public utilities (including, without limitation, electric, gas, water, public sewer systems and telephone) to the extent necessary to conduct the Business as currently conducted. Neither Seller nor Parent has received notice of or is aware of any condemnation, expropriation or other proceeding in eminent domain pending or, to the Knowledge of Seller or Parent, threatened, affecting the Leased Real Property, or any portion thereof or interest therein. To the Knowledge of Seller or Parent, no fact or condition exists which would result in the termination of the current access from any Leased Real Property to any presently existing roads and/or highways adjoining or situated on the Leased Real Property, or to any existing sewer, water or other utility facilities servicing, adjoining or situated on the Leased Real Property. The Leased Real Property constitutes all of the real property used in or otherwise related to the conduct of the Business.

(l) *Environment, Health and Safety.*

(i) Except as set forth on **Schedule 11(l)**, the Business, the Assets and the Leased Real Property are in compliance in all material respects with any and all Environmental Laws and Health and Safety Laws and, to Seller’s or Parent’s Knowledge, have been in compliance with such laws at all times prior thereto. Neither Seller nor Parent has received notice of any Claim relating to a violation of any such Laws having been made with respect to the Business, the Assets or the Leased Real Property. The foregoing warranty as it pertains to Leased Real Property covers only the period of Seller’s occupancy thereof.

(ii) Except as set forth on **Schedule 11(1)**, there is no Environmental or Health and Safety Circumstance related to Seller’s past or present operations of the Business or the Assets at the Leased Real Property or on any other properties, facilities or premises on which the Business or the Assets

have been operated. To Seller's or Parent's Knowledge, neither the Leased Real Property nor any real property adjacent thereto which is owned, operated or used in connection with the Business or the Assets contains any underground storage tank, asbestos containing material, polychlorinated biphenyls, or landfills, surface impoundments or disposal area.

(iii) Except as set forth on **Schedule 11(1)**, Seller has not, either expressly or by operation of law, assumed or undertaken any liability, including without limitation, any obligation for corrective or remedial action, of any other person or entity with respect to any Environmental Law, nor has Seller caused, permitted or allowed any "release" (as defined in 42 U.S.C. § 9601(22)) of any Hazardous Substance, Pollutant or Contaminant on any real property owned, operated or used by Seller in connection with the Business.

(iv) Seller has obtained (or has pending timely filed applications for) any and all environmental permits legally required to operate the Leased Real Property, the Business and the Assets as they are presently being operated.

(v) For purposes of this **Section 11(1)**:

(A) "Environmental Law" means any federal, state or local statute, rule, regulation or ordinance having as its primary purpose the protection of the environment or the protection of human health from the effects of environmental pollutants and any permit, license or authorization required thereunder, as well as common law.

(B) "Health and Safety Law" means any federal, state or local statute, rule, regulation or ordinance having as its primary purpose the protection of worker safety or health in the workplace.

(C) "Hazardous Substance, Pollutant or Contaminant" means any "hazardous substance" as defined in 42 U.S.C. § 9601(14), any "pollutant or contaminant" as defined in 42 U.S.C. § 9601(33), and petroleum, including crude oil or any fraction thereof.

(D) "Claim" means and includes any claim, action, suit, demand, administrative proceeding, notice of violation, notice of deficiency, or general notice of potential liability alleging any failure to comply with or any liability under any Environmental Law or Health and Safety Law, including, without limitation, any liability under common law for damages or injury to person or property.

(E) "Environmental or Health and Safety Circumstance" means any fact, circumstance, activity, practice, incident, action, plan or condition which would constitute a failure to comply with any Environmental Law or Health and Safety Law, or would give rise to potential liability under any such Law.

(m) *Intellectual Property.*

(i) For purposes of this Agreement, the term “Intellectual Property” means all: (A) patents, patent applications and invention disclosures; (B) trademarks, service marks, trade dress, trade names, call letters, logos, slogans, jingles and registrations and applications for registration thereof; (C) copyrights and registrations and applications for registrations thereof; (D) mask works and registrations and applications for registrations thereof; (E) trade secrets and confidential business information and know-how, including without limitation, business and marketing plans, customer and supplier lists, specifications, designs and technical data; (F) internet domain names and the registrations relating thereto; (G) any and all custom and other software computer programs, applications, generated databases and other work product; and (H) all licenses, agreements or permissions to use any of the foregoing Intellectual Property.

(ii) Except as set forth on **Schedule 11(m)** attached hereto, Seller owns or is licensed to use all Intellectual Property material or necessary to, or used in, the operation of the Business as now conducted, all of which is listed on **Schedule 11(m)**. Each item of Intellectual Property owned or used by Seller in connection with the Business immediately prior to the date of execution of this Agreement will be owned or available for use by Buyer from and after Closing on the same terms as such items are available for use by Seller. Seller has taken and will continue to take until the Closing, all necessary or desirable action to protect and maintain each item of Intellectual Property that it owns or currently uses. The operation of the Business as currently conducted does not infringe upon any intellectual property or proprietary rights of any other person or entity or involve the use of any Intellectual Property owned by another person or entity. No actions, suits or claims for infringement, misappropriation or interference related to Seller’s use of the Intellectual Property are pending or, to the Knowledge of Seller or Parent, have been threatened against Seller, and neither Seller nor Parent has Knowledge of any facts which reasonably could be expected to form the basis for any such action, suit or claim.

(n) *Assumed Contracts.* **Schedule 1(a)(iv)** sets forth a true and complete list of all Assumed Contracts to be assigned to and assumed by Buyer pursuant to this Agreement, true, complete and correct copies of which have been delivered to Buyer. The Assumed Contracts constitute all material contracts related to the Business and are sufficient to permit Buyer to operate the Business as currently conducted. Except as set forth on **Schedule 11(n)**: (i) all of the Assumed Contracts constitute valid and binding obligations of the parties thereto and are in full force and effect, enforceable in accordance with their respective terms; (ii) Seller has performed in all material respects all of the obligations required to be performed by them under each Assumed Contract on or prior to the Closing Date; (iii) neither Seller nor, to the Knowledge of Seller or Parent, any other party to any of the Assumed Contracts is in default thereunder (as to payments due or otherwise), nor has any event occurred which, with notice or the passage of time, or both, could reasonably be expected to constitute a default thereunder; and (iv) neither Seller nor Parent has received any notice, written or oral, from any advertiser of its intent to (nor,

to the Knowledge of Seller or Parent, has any event occurred or circumstance arisen that could reasonably be expected to give rise to or serve as a basis for any advertiser to): (A) discontinue its relationship with Seller; (B) materially reduce its advertising on the Station, or (C) otherwise alter its relationship with Seller in a manner materially adverse to the Business.

(o) *Related Party Transactions.* Except as set forth on **Schedule 11(o)**, no shareholder, director or officer of Seller or Parent nor any entity in which Seller, Parent or any of their shareholders, directors or officers own any beneficial interest (each a “Related Party”), has any interest in: (i) any lease, contract, arrangement or understanding with Seller or relating to the Business; (ii) any loan, arrangement, understanding, agreement or contract for or relating to indebtedness of Seller; or (iii) any property (real, personal or mixed), tangible or intangible, used in the Business. Any loan, contract or arrangement with a Related Party is on commercially reasonable terms no more favorable to the Related Party than what a third party negotiating on an arms-length basis would reasonably expect. No Related Party has engaged in competition with the Seller in any market presently served by the Business, except for ownership of less than one percent (1%) of the outstanding capital stock of any such business that is publicly traded on any recognized exchange or in the over-the-counter market.

(p) *Condition of Tangible Property; PCR and Closed Caption Systems.* All Tangible Property is in a good state of repair (normal wear and tear excepted) and in good working order, free from any material defect and suitable for the ordinary and regular conduct and operation of the Business. The Station’s PCR system will be fully installed and operational as of the Closing, and Seller shall have completed its reduction in force in connection therewith prior to Closing. The Station’s closed caption equipment and systems will be fully operational as of the Closing and all such equipment and systems will comply with all applicable rules, regulations and policies of the FCC.

(q) *Assets of the Business.* Except for the Excluded Assets, the Assets to be transferred and conveyed to Buyer at Closing hereunder constitute all the properties and rights used by Seller in connection with the Business, and the Assets are sufficient to permit Buyer to operate the Business from and after the Closing without interruption and as currently conducted by Seller.

(r) *Title to Assets.* Except as set forth on **Schedule 11(r)** attached hereto, Seller has good and marketable title to all of the Assets, free and clear of any and all Liens, other than Permitted Liens. No person, firm or corporation other than Seller has any right to the use or possession of any of the Assets. Except as set forth on **Schedule 11(r)**: (i) no currently effective financing statement under the Uniform Commercial Code with respect to any of the Assets has been filed in any jurisdiction; (ii) no currently effective lien or encumbrance with respect to any of the Assets has been filed with the United States Patent and Trademark Office; and (iii) no agent of Seller has signed any financing statement or security agreement authorizing anyone to file any financing statement, lien or other encumbrance. During the five (5) year period preceding the date of this Agreement, Seller has conducted the Business only under its current name. For purposes of this Agreement, “Permitted Liens” means, collectively, the Assumed Liabilities, Liens for taxes not yet due and payable as to which current accruals have been established on monthly financial statements of Seller consistent with GAAP and Liens that will be released at or prior to Closing.

(s) *Labor Relations.*

(i) During the twelve (12) month period preceding the date of this Agreement, there have been no material adverse changes in the relationship between Seller and its employees. Seller has no union employees. Seller is not involved in union organization efforts or negotiations, and has not received any requests for negotiations, with respect to any representation or any labor contract relating to the employees of the Business.

(ii) **Schedule 11(s)(ii)** attached hereto contains a true, accurate and complete (A) list of the names, titles, current salaries, and 2007 bonuses and commissions of all employees of Seller relating to the Business, (B) list of all Station employees who are on inactive status (including employees who are inactive due to layoff, leave, short-term or long-term disability or other permitted absence), including the type of leave applicable to each such employee, the date on which the employee became inactive and the employee's expected date of return to work, if known, (C) list of all employment or independent contractor agreements relating to the Business, true and complete copies of which have been delivered to Buyer, and (D) list of all accrued and unused vacation time and other paid time-off of each employee as of the date of this Agreement. Except as listed on **Schedule 11(s)(ii)**, no employee of Seller is entitled to payment for any accrued but unused paid time-off.

(iii) Except as set forth on **Schedule 11(s)(iii)**, Seller has none of the following relating to the Business: (A) contracts with labor organizations; (B) "employee benefit plans" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other profit sharing, deferred compensation, bonus, stock option, stock purchase, welfare, vacation, holiday, sick pay, or other plans or arrangements which are maintained or contributed to by Seller with respect to the Business (collectively, "Employee Plans"); or (C) employee regulations or handbooks relating to the Business. All Employee Plans have been operated and administered in all material respects with all applicable laws, including ERISA and the Code. Each Employee Plan intended to be "qualified" within the meaning of Section 401(a) of the Code is so qualified, and there are no existing circumstances or any events that have occurred that could reasonably be expected to adversely affect the qualified status of any such benefit plan. All employees of the Business are terminable at will at no cost to Seller or the Business other than its liabilities to employees for unused or unpaid earned vacation and other time off, which liabilities have been properly recorded on the books of the Business.

(iv) Except as set forth on **Schedule 11(s)(iv)**, Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to nondiscrimination, wages, hours, the Fair Labor Standards Act, collective bargaining and the payment and withholding of taxes and other sums as required by appropriate governmental authorities. Seller has never reduced (or docked from) the earned

wages of any of its employees for tardiness pursuant to any documents provided to newsroom employees or otherwise pursuant to any attendance policy. Except as otherwise disclosed on **Schedule 11(s)(iv)**, no unfair labor practice complaint is pending against Seller before the National Labor Relations Board or any state or local agency, nor has Seller received notice that any charge of discrimination has been filed against Seller with the Equal Employment Opportunity Commission or any similar state or local agency at any time during the five (5) year period preceding the date of this Agreement.

(t) *ABTC.*

(i) The authorized capital stock of ABTC consists solely of 100,000 shares of common stock, of which 5000 shares are issued and outstanding in Seller's name (the "ABTC" shares). The shareholders of ABTC and the number of ABTC Shares owned by each such shareholder are set forth on **Schedule 11(t)(i)** attached hereto. All ABTC Shares have been duly authorized and are validly issued, fully paid and nonassessable. There are no outstanding or authorized options, calls, puts, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments with respect to the ABTC Shares. There are no outstanding securities or other rights which are convertible or exchangeable into capital stock of or any other equity interest in ABTC. There are no voting trusts, shareholder agreements or other understandings between Seller and any other party or entity with respect to the voting of or any other matters with respect to the ABTC Shares. To Seller's or Parent's Knowledge, ABTC is not subject to any obligation to repurchase or otherwise acquire or retire or to register any shares of capital stock of ABTC. To Seller's or Parent's Knowledge, none of the outstanding equity securities of ABTC were issued in violation of the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable law, rule or regulation.

(ii) Seller has delivered to Buyer unaudited balance sheets of ABTC and related statements of income or loss, cash flow and retained earnings for each of the twelve-month periods ending on December 31, 2004, 2005 and 2006 and the twelve-month period ending on December 31, 2007 (the "ABTC Financial Statements"). To Seller's or Parent's Knowledge, the ABTC Financial Statements have been prepared in accordance with the income tax method of accounting applied on a consistent basis throughout the indicated periods and fairly present the financial condition and results of operation of ABTC at the dates and for the relevant periods indicated and accurately reflect the books and accounts of ABTC. To Seller's or Parent's Knowledge, the books and records of ABTC are accurate in all material respects, the transactions entered therein represent bona fide transactions, all revenues and expenses of ABTC have been properly recorded in such books in all material respects, and ABTC has no liabilities or obligations of any type, nature or description, known or unknown, asserted or unasserted, direct or indirect, absolute or contingent, other than those set forth on the most recent ABTC Financial Statement or which have been

incurred in the ordinary course of business since the date of the most recent ABTC Financial Statement, none of which are material or adverse.

(iii) **Schedule 11(t)(iii)** sets forth a true and complete list of all leases, material contracts or other agreements of ABTC (“ABTC Contracts”), true, complete and correct copies of which have been delivered to Buyer and reflects those matters and rights material to the Business not reflected in written agreements but rather conferred or existing pursuant to oral agreements or current practice. Except as set forth on **Schedule 11(t)(iii)**: (A) to the Knowledge of Seller or Parent, all of the ABTC Contracts constitute valid and binding obligations of the parties thereto and are in full force and effect, enforceable in accordance with their respective terms; (B) ABTC has performed in all material respects all of the obligations required to be performed by it under each ABTC Contract on or prior to the Closing Date; (C) neither Seller nor, to the Knowledge of Seller or Parent, any other party to any ABTC Contract is in material default thereunder (as to payments due or otherwise), nor has any event occurred which, with notice or the passage of time, or both, could reasonably be expected to constitute a default thereunder.

(iv) To Seller’s or Parent’s Knowledge, all tangible property owned, used or leased by ABTC and used in the Business is in a good state of repair (normal wear and tear excepted) and in good working order, free from any material defect and suitable for the ordinary and regular conduct and operation of the Business, and has been operated in compliance in all material respects with the terms of all applicable FCC licenses, the Communications Act and any applicable rules, regulations or policies of the FCC. Subject to **Schedule 11(t)(iv)**, all of the real, personal, tangible and intangible property owned, leased or used by ABTC which is used by or available to Seller, and all services provided by ABTC to Seller, will be available for use by Buyer from and after Closing on the same terms and to the same extent such property and services currently are available for use by Seller or shall be replaced by Seller with materially equivalent property and equipment.

(v) **Schedule 11(t)(iv)** contains a description of the condition of the equipment and facilities operated by ABTC. Notwithstanding anything to the contrary contained in **Schedule 11(t)(iv)**, such equipment and facilities will be fully functional and operational in the ordinary course of business as of the Closing and will be suitable for the ordinary and regular conduct and operation of the Business for a period of twelve (12) months after the Closing in the same manner as currently conducted by Seller without substantial capital expenditures (other than routine and recurring maintenance and expenditures relating to digital conversion).

(u) *Goose Bay Joint Venture.*

(i) The members of the Goose Bay Joint Venture and the percentage interest of each such member are set forth on **Schedule 11(u)(i)**

attached hereto. There are no outstanding or authorized options, calls, puts, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments with respect to Seller's ownership interest in the Goose Bay Joint Venture. Except for the Joint Venture Agreement or as otherwise set forth on **Schedule 11(u)(iii)**, there are not any voting trusts, agreements or other understandings between Seller and, to Seller's or Parent's Knowledge, any other party or entity with respect to the management or operation of the Goose Bay Joint Venture. Neither Seller nor Parent has received any notice from any other member of the Goose Bay Joint Venture or have Knowledge that such member does not intend to extend the expiration of the Joint Venture Agreement beyond its current expiration date of December 31, 2009.

(ii) Seller has delivered to Buyer unaudited balance sheets of the Goose Bay Joint Venture and related statements of income or loss, cash flow and retained earnings for each of the twelve-month periods ending on December 31, 2005 and 2006 and the twelve-month period ending on December 31, 2007 (the "Goose Bay Financial Statements"). To Seller's or Parent's Knowledge, the Goose Bay Financial Statements have been prepared in accordance with the income tax method of accounting applied on a consistent basis throughout the indicated periods. To Seller's or Parent's Knowledge and subject to **Schedule 11(u)(ii)**, the Goose Bay Financial Statements fairly present the financial condition and results of operation of the Goose Bay Joint Venture at the dates and for the relevant periods indicated and accurately reflect the books and accounts of the Goose Bay Joint Venture. The books and records of the Goose Bay Joint Venture are accurate in all material respects, the transactions entered therein represent bona fide transactions, and all revenues and expenses of the Goose Bay Joint Venture have been properly recorded in such books in all material respects. To Seller's or Parent's Knowledge and subject to **Schedule 11(u)(ii)**, the Goose Bay Joint Venture has no liabilities or obligations of any type, nature or description, known or unknown, asserted or unasserted, direct or indirect, absolute or contingent, other than those set forth on the most recent Goose Bay Financial Statement or which have been incurred in the ordinary course of business since the date of the most recent Goose Bay Financial Statement, none of which are material or adverse to the Business.

(iii) To Seller's or Parent's Knowledge, **Schedule 11(u)(iii)** sets forth a true and complete list of all leases, material contracts or other agreements of the Goose Bay Joint Venture ("Goose Bay Contracts"), true, complete and correct copies of which have been delivered to Buyer. Except as set forth on **Schedule 11(u)(iii)**: (A) all of the Goose Bay Contracts relating to the Business constitute valid and binding obligations of the parties thereto and are in full force and effect, enforceable in accordance with their respective terms; (B) the Goose Bay Joint Venture has performed in all material respects all of the obligations required to be performed by it under each Goose Bay Contract relating to the Business on or prior to the Closing Date; and (C) neither Seller nor, to the Knowledge of Seller or Parent, any other party to any Goose Bay Contract relating to the Business is in default thereunder (as to payments due or otherwise),

nor has any event occurred which, with notice or the passage of time, or both, could reasonably be expected to constitute a default thereunder.

(iv) To Seller's or Parent's Knowledge, all tangible property owned or leased by the Goose Bay Joint Venture and relating to the Business is in a good state of repair (normal wear and tear excepted) and in good working order, free from any material defect and suitable for the ordinary and regular conduct and operation of the Goose Bay Joint Venture's business. The generator and switch at the transmission site in Glen Alps, Alaska was recently repaired, is now fully and immediately operational on a power failure and will be fully and immediately operational as of the Closing. Except as provided in **Schedule 11(u)(iv)**, all of the real, personal, tangible and intangible property owned or leased by the Goose Bay Joint Venture which is used by or available to Seller, and all services provided by the Goose Bay Joint Venture to Seller, will be available for use by Buyer from and after Closing on materially the same terms and to the same extent such property and services currently are available for use by Seller, or shall be replaced by Seller with materially equivalent property and services.

(v) To Seller's or Parent's Knowledge, all FCC applications and other required filings, and any filings required by the Federal Aviation Administration ("FAA"), with respect to the Goose Bay Joint Venture and relating to the Business have been timely made. To Seller's and Parent's Knowledge, the Goose Bay Joint Venture has been operated in all material respects with respect to those matters affecting the Business, in accordance with the terms of any FCC licenses, the Communications Act, any rules, regulations or policies of the FCC, the Federal Aviation Act, and any rules, regulations or policies of the FAA. To the Knowledge of Seller or Parent, no application, complaint, action or proceeding is pending or threatened with respect to the Goose Bay Joint Venture, except for actions or proceedings affecting the television industry or facilities such as the Assets generally.

(v) *Brokers.* Any obligation in respect of fees, commissions and expenses due any broker, agent or finder who may have been employed in this transaction by Seller is an obligation solely of Seller.

(w) *Disclosure.* None of the statements or information contained in any of the representations, warranties, covenants or agreements of Seller or Parent set forth in this Agreement or any information or documents delivered or to be delivered to Buyer pursuant to the terms of this Agreement, contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained in this Agreement or in any Exhibit or Schedule to this Agreement, in light of the circumstances in which those statements were made, not misleading. Seller and Parent have fully disclosed to Buyer all relevant material facts affecting the Business and the Assets to be sold and conveyed in accordance with this Agreement.

**12. Representations and Warranties of Buyer.** As of the date hereof and as of the Closing Date, Buyer represents and warrants to Seller as follows:

(a) *Organization; Power and Authority.* Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and, as of Closing, Buyer's Assignee will be validly existing and in good standing and with full power and authority to do business in the State of Alaska. Buyer has all necessary corporate power and authority to own all of its property and assets and to make, execute, deliver, and perform this Agreement and the other documents and instruments contemplated hereby.

(b) *Execution, Delivery and Validity.* The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all requisite corporate action. This Agreement and all other agreements contemplated hereby are or, upon the execution and delivery thereof will be, the valid and binding obligations of Buyer, enforceable against it in accordance with their terms.

(c) *Noncontravention.* The execution, delivery and performance of this Agreement and the other agreements contemplated hereby and the consummation of the transactions contemplated hereby or thereby or compliance with or fulfillment of the terms and provisions hereof or of any other agreement or instrument contemplated hereby or thereby, do not and will not: (i) conflict with or result in a breach of any of the provisions of the Articles of Incorporation or By-laws of Buyer; (ii) contravene any law, rule or regulation or any order, writ, award, judgment, decree or other determination which affects or binds Buyer or any of its properties; (iii) conflict with, result in a breach of, constitute a default under, or give rise to a right of acceleration, termination or the imposition of penalties under any contract, deed of trust, mortgage, trust, lease, governmental or other license, permit or other authorization, contract, agreement, note or any other agreement, instrument or restriction to which Buyer is a party or by which any of its properties may be affected or bound; or (iv) require the approval, consent or authorization of, or the making of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental authority or regulatory body, except with respect to the assignment of the FCC Licenses.

(d) *Brokers.* Any obligation in respect of fees, commissions and expenses due to any broker, agent or finder who may have been employed in this transaction by Buyer is an obligation solely of Buyer.

(e) *Buyer's Qualifications.* To Buyer's knowledge, there is no fact that would, under present law (including the Communications Act and the present rules and regulations of the FCC), disqualify Buyer from being the licensee of the Station or that would delay FCC approval of the FCC Order. Should Buyer become aware of any such fact, it will so inform Seller and will use its commercially reasonable efforts to remove any such disqualification, except where doing so would have a material adverse affect on Buyer. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification or delay in the Commission approval of the FCC Order. To Buyer's knowledge, Buyer will not require, nor request, any waiver of or exemption from any FCC rule, regulation or policy in order for the FCC to grant the FCC Order.

### 13. Survival and Indemnification.

(a) *Survival.* The respective representations and warranties of each of the parties to this Agreement, including all statements contained in any schedule, exhibit or other agreement delivered pursuant hereto or contemplated hereby, shall be deemed to be material and to have been relied upon by the parties hereto and shall survive the Closing, and the consummation of the transactions contemplated hereby, as follows: (a) the representations and warranties contained in **Sections 11(a), 11(b), 11(r), 11(t)(i), 11(u)(i), 12(a), 12(b) and 12(d)** shall survive indefinitely and shall not terminate; (ii) the representations and warranties contained in **Sections 11(g), 11(j), 11(l), 11(s), 11(t)(v) and 11(u)(v)** shall survive until ninety (90) days after the expiration of the applicable statutes of limitation; and (c) all other representations and warranties shall survive for a period of two (2) years after the Closing Date; *provided*, that any representation or warranty in respect of which indemnity may be sought under this **Section 13**, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this **Section 13(a)** if notice of the breach thereof giving rise to such right or potential right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time. The covenants and agreements of the parties contained in this Agreement shall remain operative and in full force and shall survive until the performance by the applicable party hereto of such covenant and agreement. No investigation by the parties made heretofore or hereafter shall affect the representations and warranties of the parties contained in or made pursuant hereto.

(b) *Indemnification by Seller and Parent.* Seller and Parent jointly and severally shall indemnify, defend and hold Buyer and its shareholders, officers, directors, employees, agents, successors, assigns and affiliates (collectively, “Buyer’s Indemnified Parties”) harmless of and from any and all damages, claims, liabilities, losses, costs and expenses (including reasonable attorneys’ and paralegals’ fees and disbursements, court costs or costs incurred in investigation) (collectively “Losses”) incurred or suffered by any of Buyer’s Indemnified Parties which arise out of, result from or relate to: (i) any misrepresentation or breach of any representation or warranty contained in or made pursuant to this Agreement by Seller or Parent; (ii) any breach by Seller or Parent or failure by Seller or Parent to perform any of its covenants, obligations or agreements contained in or made pursuant to this Agreement; (iii) any Retained Liabilities; or (iv) the operation of the Business prior to the Closing.

(c) *Indemnification by Buyer.* Buyer shall indemnify, defend and hold Seller, Parent and their shareholders, officers, directors, employees, agents, successors, assigns and affiliates (collectively, “Seller Indemnified Parties”) harmless of and from any Losses incurred or suffered by Seller Indemnified Parties which arise out of, result from or relate to: (i) the Assumed Liabilities; (ii) any misrepresentation or breach of any representation or warranty contained in or made pursuant to this Agreement by Buyer; (iii) any breach by Buyer or failure by Buyer to perform any of its covenants, obligations or agreements contained in or made pursuant to this Agreement; (iv) the operation of the Business by Buyer or Buyer’s Assignee from and after the Closing, or (v) Buyer’s indemnification obligation provided for in **Section 7(f)(i)**.

(d) *Conditions of Indemnification of Third-Party Claims.* The respective obligations and liabilities of Seller or Parent, on the one hand, or Buyer, on the other hand (the

“Indemnifying Party”) to the Buyer’s Indemnified Parties or the Seller’s Indemnified Parties, as the case may be, as indemnified parties (the “Indemnified Party”) under **Sections 13(b)** and **13(c)** hereof with respect to claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(i) Within twenty (20) days (or such earlier time as might be required to avoid prejudicing the Indemnifying Party's position) after receipt of notice of commencement of any action evidenced by service of process or other legal pleading, or with reasonable promptness after the assertion of any claim by a third party, the Indemnified Party shall give the Indemnifying Party written notice thereof together with a copy of such claim, process or other legal pleading, and the Indemnifying Party shall have the right to undertake the defense thereof by representatives of its own choosing and at its own expense; *provided*, that the Indemnified Party may participate in the defense with counsel of its own choice and at its own expense (provided that the Indemnifying Party will bear the expense of counsel for the Indemnified Party if counsel for the Indemnified Party could have an inconsistent or conflicting interest from that of the Indemnifying Party or one or more legal defenses that are different from or additional to those available to the Indemnifying Party).

(ii) If the Indemnifying Party, by the thirtieth (30th) day after receipt of notice of any such claim (or, if earlier, by the tenth [10th] day preceding the day on which an answer or other pleading must be served in order to prevent judgment by default in favor of the person asserting such claim), does not elect to defend against such claim, the Indemnified Party, upon further notice to the Indemnifying Party, will have the right to undertake the defense, compromise or settlement of such claim on behalf of or for the account and risk of the Indemnifying Party and at the Indemnifying Party's expense, subject to the right of the Indemnifying Party to assume the defense of such claims at any time prior to settlement, compromise or final determination thereof.

(iii) Anything in this **Section 13** to the contrary notwithstanding, the Indemnifying Party shall not settle any claim without the consent of the Indemnified Party unless such settlement involves only the payment of money and the claimant provides to the Indemnified Party a release from all liability in respect of such claim. If the settlement of the claim involves more than the payment of money, the Indemnifying Party shall not settle the claim without the prior consent of the Indemnified Party, which consent shall not be unreasonably withheld.

(iv) The Indemnified Party and the Indemnifying Party will each cooperate with all reasonable requests of the other for the purpose of defending against any claims.

(e) *Payment of Losses.* The Indemnifying Party shall make all payments pursuant to the indemnification provisions contained in this **Section 13** within ten (10) days after delivery of the notice of claim therefor by the Indemnified Party or, if the Indemnifying Party

delivers written notice to the Indemnified Party within such 10-day period that it is disputing the Indemnified Party's right to indemnification hereunder with respect to such payments, immediately upon the final determination of the amount of such indemnification obligation. In addition to any other rights Buyer may have at law or in equity, Seller and Parent hereby expressly grant Buyer the right to have any claim for indemnification paid by the Escrow Agent in accordance with the terms of the Escrow Agreement.

(f) *Limitations on Indemnification.* Notwithstanding anything to the contrary contained in this **Section 13**: (i) neither Seller or Parent, on the one hand, nor Buyer or Buyer's Assignee, on the other hand, shall be required to indemnify Buyer's Indemnified Parties or Seller's Indemnified Parties, respectively, in respect of any Losses suffered by such other parties as a result of the breach of any representation or warranty contained in this Agreement unless and until the aggregate amount of all such Losses exceeds Fifty Thousand Dollars (\$50,000) (the "Basket"), at which point such indemnification obligation shall be from and against all Losses relating back to the first dollar, *provided that* the Basket shall not apply to any Losses related to any fraudulent breach by any party hereto of any of the representations or warranties set forth in this Agreement or any document, instrument or agreement that is to be delivered to the other party pursuant to the terms of this Agreement; and (ii) the aggregate amount of Seller's and Parent's indemnification obligations or Buyer's indemnification obligations under **Section 13(b)(i)** or **Section 13(c)(ii)** respectively, shall not exceed Three Million Nine Hundred Thousand Dollars (\$3,900,000) (the "Cap"), *provided that* the Cap shall not apply to any Losses related to any fraudulent breach by any party hereto of any of the representations or warranties set forth in this Agreement or any document, instrument or agreement that is to be delivered to the other party pursuant to the terms of this Agreement.

#### **14. Restrictive Covenants**

(a) *Confidentiality.* Seller and Parent acknowledge that the trade secrets and other confidential information acquired by Buyer pursuant to this Agreement, including, without limitation, financial information, pricing practices, marketing and business strategies and plans, sales information, personnel data, technical data, technology and know-how are valuable, special and unique assets of Buyer. Each of Seller and Parent agrees that it will not, and it will cause its owners, directors, and officers, and that it will use commercially reasonable efforts to cause its employees and agents to not, directly or indirectly, except with the prior written consent of Buyer, use, divulge, disclose or communicate, or cause or permit any other person or entity to use, divulge, disclose or communicate, to any person, firm, corporation or entity, in any manner whatsoever, any trade secrets or other confidential information conveyed to Buyer pursuant to this Agreement. The foregoing covenants shall remain in effect for so long as any such information remains confidential information of Buyer, and, in any event, for a minimum period of five (5) years after Closing. Notwithstanding anything to the contrary in this Agreement, neither Seller nor Parent will ever disclose or use confidential information which remains a trade secret of Buyer.

(b) *Covenant Against Competition and Solicitation.* To preserve the value of the goodwill purchased by Buyer, and to reduce the cost to Buyer of monitoring and enforcing the compliance of Seller and Parent with the confidentiality obligations contained in **Section 14(a)** hereof, Seller and Parent each covenants and agrees that, during the five (5) year period

from and after Closing, it will not, and it will cause each of its Affiliates to not, without the express written consent of Buyer and only to the extent authorized by Buyer:

(i) Directly or indirectly, alone or in concert with others, whether as principal, agent, representative, partner, lender, consultant, shareholder or otherwise, under or through any form of business entity, own, operate, manage, control or actively participate in any Competitive Business. For purposes of this Agreement, "Competitive Business" means the television broadcasting business in the Anchorage Designated Market Area (as defined by Nielsen Media Research, Inc.) or any other television market designation generally accepted in the television industry as a substitute for Designated Market Areas (the "Prohibited Territory"), excluding indirect ownership by virtue of ownership of one percent (1%) or less of any class of securities of any publicly traded company;

(ii) Either for itself or for any other person, firm, corporation or entity solicit, divert or accept, or attempt to solicit, divert or accept any persons or entities which were advertisers, customers or clients of the Business within three (3) years prior to the Closing to advertise or otherwise contract with any Competitive Business;

(iii) Induce or solicit or seek to induce or solicit any person who was engaged in the Business as an employee, agent or otherwise within the one (1) year period prior to the Closing to terminate his or her engagement with Buyer or otherwise participate in any Competitive Business; and

(iv) Engage for the benefit of itself or any other person or entity, in any activity in the performance of which it could be reasonably anticipated that it would be required or expected to use or disclose confidential information of the Buyer.

Each of the covenants contained in **Section 14(b)** are separate and distinct covenants of Seller and Parent.

(c) *Reasonableness.* Each of Seller and Parent hereby expressly acknowledges and agrees that the territorial, time and other limitations set forth above are reasonable and properly required for the adequate protection of the goodwill and other Assets acquired by Buyer pursuant to this Agreement and shall be fully enforceable to the fullest extent permitted by law.

(d) *Modification.* In the event that any term, provision or covenant contained in this **Section 14** is found to be unreasonable, and therefore unenforceable, by a court of competent jurisdiction, but would be valid and enforceable if any part thereof were deleted or otherwise modified, then the parties expressly agree that a court may limit the application of, or modify any such term, provision or covenant and proceed to enforce such term, provision or covenant as so limited or modified.

(e) *Remedies.* Each of Seller and Parent acknowledges and agrees that any violation of **Sections 14(a) or 14(b)** hereof would cause Buyer irreparable damage and that if either of Seller or Parent violates or threatens to violate such restrictions, Buyer shall be entitled to injunctive relief against Seller or Parent, without, to the extent legally permissible, the necessity of proof of actual damage or the posting of a bond. In addition, if any legal action, arbitration or other proceeding is brought to enforce the provisions of this **Section 14**, or because of an alleged breach or default in connection with any of the provisions of this **Section 14**, the party prevailing in such action or proceeding shall be entitled to recover all reasonable attorneys' fees and other costs actually and reasonably incurred by such party in connection with such action or proceeding in addition to any other remedies available under this Agreement or at law or in equity.

## **15. Termination.**

(a) *Grounds for Termination.* This Agreement may be terminated at any time prior to Closing as follows:

(i) By the mutual written consent of the parties hereto;

(ii) By Buyer, if any representation, warranty or covenant of Seller or Parent contained herein shall have been materially incorrect or materially breached and shall not have been cured or otherwise resolved to the reasonable satisfaction of Buyer within 30 days of notice to Seller; *provided, however,* that Buyer is not then in default or breach in any material respect of its obligations under this Agreement;

(iii) By Seller, if any representation, warranty or covenant of Buyer contained herein shall have been materially incorrect or materially breached and shall not have been cured or otherwise resolved to the reasonable satisfaction of Seller within 30 days of notice to Buyer; *provided, however,* that neither Seller nor Parent are then in default or breach in any material respect of their obligations under this Agreement;

(iv) By Buyer, upon written notice to Seller, in the event that the conditions to its obligations set forth in **Section 9** have not been satisfied or waived at or prior to the Closing Date (unless the failure results primarily from Buyer breaching any representation, warranty or covenant contained in this Agreement);

(v) By Seller, upon written notice to Buyer, in the event that the conditions to its obligations set forth in **Section 10** have not been satisfied or waived at or prior to the Closing Date (unless the failure results primarily from Seller breaching any representation, warranty or covenant contained in this Agreement);

(vi) By Buyer, in accordance with the provisions of **Section 7(1)**; or

(vii) By either Buyer or Seller, upon notice to the other parties hereto, if the FCC (i) issues a final, non-appealable order prohibiting the assignment of any of the FCC Licenses to Buyer, or (ii) fails to issue the FCC Order within nine (9) months after the date of this Agreement.

(b) *Procedure and Effect of Termination.* In the event this Agreement is terminated by any party or parties pursuant to this **Section 15**, written notice thereof shall be given promptly to the other party and all rights and obligations of the parties hereunder shall terminate and no party shall have any liability to any other party; *provided*, that nothing herein will relieve any party from liability for any breach of any representation, warranty, agreement or covenant contained herein prior to such termination. Notwithstanding anything to the contrary contained herein, the provisions of **Section 7(i)**, **Section 14(a)** (with respect to Buyer's confidentiality obligations which shall be reciprocal with Seller's and Parent's obligations as provided in **Section 14(a)**), this **Section 15(b)** and **Section 16** shall survive the termination of this Agreement.

## **16. General Provisions.**

(a) *Transfer Taxes.* All sales, transfer, documentary, use, stamp, registration or similar tax, charge or fee in the nature of a tax, imposed by any governmental authority in connection with or resulting from the sale or conveyance of the Assets (collectively, "Transfer Taxes") shall be borne by the Seller. All Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable law.

(b) *Bulk Sales Compliance.* Buyer, Seller and Parent hereby waive compliance with the provisions of any applicable bulk transfer laws; *provided, that* nothing herein shall be deemed to release or discharge Seller or Parent from the obligation to pay their creditors except to the extent such obligations constitute Assumed Liabilities.

(c) *Definition of Certain Terms.*

(i) For purposes of this Agreement, "Affiliate" means, with respect to any person or entity, any other person or entity that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through ownership of 50% or more of the voting securities of such person or entity, by contract or otherwise.

(ii) For purposes of this Agreement, an individual will be deemed to have "Knowledge" of a particular fact or other matter if such individual is actually aware of or in the exercise of reasonable diligence would be expected to discover or otherwise become aware of such fact or matter in the course of performing his or her normal employment duties. A person (other than an individual) will be deemed to have "Knowledge" of a particular fact or other

matter if any individual who is serving as a director, officer, or trustee of such person (or in any similar capacity) has, or at any time had, Knowledge of such fact or other matter. Seller and Parent also shall be deemed to have Knowledge of a particular fact or other matter if any of the following individuals have Knowledge of such fact or matter: the general manager, general sales manager, news director or director of engineering of the Station at the time in question, Greg Zaser or Judy Plute.

(d) *Expenses.* Except as otherwise specifically provided in this Agreement, each party to this Agreement shall bear its own expenses, including the fees of any attorneys, accountants or others engaged by such party in connection with this Agreement and the transactions contemplated hereby.

(e) *Remedies Cumulative.* All rights and remedies provided by this Agreement or existing at law or in equity shall be cumulative of all other rights and remedies, and the pursuit of one right or remedy shall in no way operate as an exclusive election or otherwise preclude or limit any party from pursuing any other or additional right or remedy.

(f) *Governing Law; Forum.* Except to the extent preempted by federal law, this Agreement and all documents (other than the Escrow Agreement) delivered or to be delivered in accordance with this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Alaska, without regard to principles of conflicts of law.

(g) *Assignment; Binding Effect.* No party to this Agreement may assign this Agreement or such party's rights, duties and obligations hereunder without the prior written consent of the other parties hereto; *provided*, that Buyer shall have the right to assign its rights hereunder to an Affiliate of Buyer ("Buyer's Assignee") or to any entity which purchases all or substantially all of the assets of Buyer, so long as such Affiliate or purchaser agrees in writing to assume all of Buyer's obligations hereunder, provided that Buyer shall in all events remain responsible for the performance of all of Buyer's and Buyer's Assignee's obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their legal representatives, successors and assigns.

(h) *Entire Agreement; Amendment.* This Agreement, including any Exhibits and/or Schedules hereto, sets forth the entire understanding of the parties, there being no oral or written agreements or understandings between them affecting the subject matter of this Agreement, and supersedes all previous agreements or letters of intent between the parties with regard to the subject matter of this Agreement, including that certain Letter of Intent between Schurz and Seller dated December 18, 2007 (the "Letter of Intent"), provided that Buyer, Seller and Parent shall continue to be bound, until the Closing, by the confidentiality provisions set forth in Section 6 of the Letter of Intent and by the prior Confidentiality Agreement described in Section 6 of the Letter of Intent (collectively, the "Confidentiality Provisions"). Notwithstanding the foregoing, nothing in the Confidentiality Provisions shall prohibit Buyer or Seller from disclosing any information required by applicable law or as may be necessary for the consummation of the transactions contemplated by this Agreement. No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation,

claim or cause of action arising under this Agreement shall be valid or binding for any purpose unless in writing and duly executed by the party against whom the same is sought to be asserted.

(i) *No Waiver.* The failure of any party to enforce at any time or for any period of time any of the provisions of this Agreement shall not be construed as a waiver of such provision or of the right of the party to enforce such provision. The waiver of any default or the failure to exercise any right shall not be deemed a waiver of any subsequent default or waiver of the right to exercise any other right.

(j) *No Third-Party Beneficiaries.* This Agreement shall be binding on and inure solely to the benefit of Seller, Buyer and their respective successors and permitted assigns, and no creditor of Seller or any other third party shall have any rights or benefits hereunder or be entitled to rely on any provisions of this Agreement.

(k) *Rules of Construction.* A reference in the singular shall be deemed to include the plural and the plural shall be deemed to include the singular. A reference to one gender shall include any other gender. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references to “party” and “parties” shall be deemed references to parties to this Agreement unless the context shall otherwise require. The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Except as specifically otherwise provided in this Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Agreement or the Schedules or Exhibits hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the Schedules and Exhibits to this Agreement. The term “or” is used in its inclusive sense (“and/or”). All references to “Dollars” and “\$” refer to the currency of the United States. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(l) *Notices.* All notices and other communications must be in writing and shall be deemed given if delivered personally or by overnight courier, or transmitted by facsimile or mailed by registered or certified mail, postage pre-paid, return receipt requested, to the persons at the addresses set forth below (or such other address for a party as shall be specified by like notice). Notice given personally or by overnight courier service, or transmitted by facsimile (receipt confirmed by telephone), shall be deemed delivered when received by the addressee. Notice given by mail shall be deemed delivered on the third (3rd) business day following the date on which it is so mailed. For purposes of notice, the addresses of the parties shall be:

If to Seller or Parent:	Zaser & Longston, Inc. 10518 NE 37 <sup>th</sup> Circle Building 25 Kirkland, Washington 98033 Attn: Greg Zaser Facsimile: (425) 285-1445
-------------------------	--

with copies to: Socius Law Group  
Two Union Square  
601 Union St, Suite 4950  
Seattle, WA 98101  
Attn.: Charles W. Davis, Esq.  
Facsimile: (206) 838-9101

and to: Pillsbury Winthrop Shaw Pittman LLP  
2300 N. Street, N.W.  
Washington, D.C. 20037  
Attn: Richard R. Zaragosa, Esq. and  
Miles S. Mason, Esq.  
Facsimile: (202) 663-8007

If to Buyer: Schurz Communications, Inc.  
225 W. Colfax Avenue  
South Bend, Indiana 46626  
Attention: Marci Burdick, Senior Vice President -  
Broadcast  
Facsimile: (574) 287-2257

with a copy to: Barnes & Thornburg LLP  
600 1st Source Bank Center  
100 North Michigan  
South Bend, Indiana 46601  
Attn: Brian J. Lake, Esq.  
Facsimile: (574) 237-1125

And to: WilmerHale  
1875 Pennsylvania Avenue, NW  
Washington, DC 20006  
Attention: Jack Goodman, Esq.  
Facsimile: (202) 663-6363

(m) *Counterparts; Facsimiles.* This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. The signature page to this Agreement and all other documents required to be executed at Closing may be delivered by facsimile and the signatures thereon shall be deemed effective upon receipt by the intended receiving party.

(n) *Severability.* If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of legislative or administrative action, such holding or action shall be strictly construed and shall not affect the validity or affect any other provision of this Agreement.

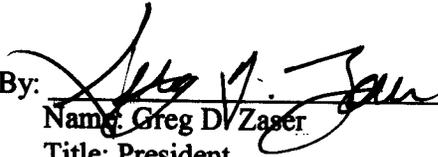
(o) *Further Assurances.* At any time after the Closing Date, if any further action is necessary, proper or advisable to carry out the purposes of this Agreement, then, as soon as is reasonably practicable, each party to this Agreement shall take, or cause to be taken, such action.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed by their duly authorized officers on the date or dates set forth below, effective as of the day and year first above written.

SELLER:

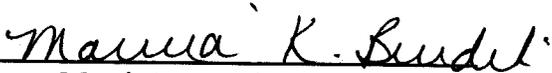
Channel 2 Broadcasting Company

By:   
Name: Greg D. Zaser  
Title: President

Date: 3/17/08

BUYER:

Schurz Communications, Inc.

By:   
Name: Marcia K. Burdick  
Title: Senior Vice President - Broadcast

Date: 3/17/08

PARENT:

Zaser & Longston, Inc.

By:   
Name: Greg D. Zaser  
Title: President and Chief Executive Officer

Date: 3/17/08