

ASSET PURCHASE AGREEMENT

by and between

MAX MEDIA of MONTANA LLC  
MAX MEDIA of MONTANA II LLC  
and THEIR LICENSEE AFFILIATES

and

COWLES MONTANA MEDIA COMPANY

September 30, 2013

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Exhibit A: Escrow Agreement

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is dated as of September 30, 2013, by and between Max Media of Montana LLC ("Max Media" and together with its Affiliates, MMM License LLC, Max Media of Montana II LLC, and MMM License II LLC, "Sellers"), and Cowles Montana Media Company, a Washington corporation ("Purchaser"). Capitalized terms used herein without definition have the meanings specified in Article I hereof.

### W I T N E S S E T H:

WHEREAS, Sellers together own the Stations, under license from the FCC, and operate them (the "Business");

WHEREAS, Sellers wish to sell to Purchaser, and Purchaser wishes to purchase from Sellers, all of Sellers' right, title and interest in and to the Broadcasting Assets, upon the terms and subject to the conditions set forth herein; and

WHEREAS, Sellers desire to assign to Purchaser, and Purchaser is willing to assume from Sellers, the Assumed Liabilities, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Accounts Receivable" means, as of the Cutoff Time, all accounts receivable of Sellers accrued in accordance with GAAP with respect to the Business, including any "co-op" receivables from providers of Program Rights and all rights to receive payments under any retransmission agreements, affiliation agreements, notes, bonds and other evidences of indebtedness and amounts due for reimbursement from Employees or former Employees but excluding accounts receivable relating to barter or trade Contracts or film and program barter agreements.

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such specified Person.

"Agreement" means this Asset Purchase Agreement and all amendments hereto made in accordance with Section 8.09 hereof.

"Ancillary Agreements" means, collectively, the Assumption Agreements and the Bill of Sale.

"Assumption Agreement" means any one of the Assumption Agreements to be executed by Purchaser and Sellers on the Closing Date in form and substance reasonably acceptable to the Purchaser and Sellers.

"Bill of Sale" means the Bill of Sale to be executed by Purchaser and Sellers on the Closing Date in form and substance reasonably acceptable to the Purchaser and Sellers.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of Spokane, Washington or Virginia Beach, Virginia.

"Business Intellectual Property" means the Intellectual Property that is owned and used by the Sellers and that is material to the operation of the Business, excluding commercially available "off the shelf" Intellectual Property that is used in, or that relates to, the Business.

"Communications Act" means the Communications Act of 1934, as amended, and the rules, regulations, policies and orders promulgated thereunder, as in effect from time to time.

"Contract" means any written note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument.

"Control" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The term "Controlled" shall have a correlative meaning.

"Disclosure Schedule" means the Disclosure Schedule delivered by Sellers to Purchaser on the date hereof.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder.

"FCC" means the Federal Communications Commission.

"FCC Licenses" means the licenses, permits, construction permits and other authorizations issued by the FCC to Sellers for the operation of the Stations listed or described in Section 1.01(a) of the Disclosure Schedule, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto.

"Final Order" means an Action or order of the FCC (including an Action or order of the FCC's staff, pursuant to delegated authority): (a) which has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (b) with respect to which no timely filed protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its motion, or judicial appeal of such Action or order is pending; and (c) as to which the time for filing any such protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its own motion, or judicial appeal of such Action or order has expired.

"GAAP" means United States generally accepted accounting principles, as consistently applied by Sellers, without taking into account the following: (i) the effects of any troubled debt restructurings pursuant to ASC 470-60, (ii) the effects of any modifications or extinguishments pursuant to ASC 470-50, (iii) any impairment of long-lived assets pursuant to ASC 360-10 and (iv) any impairment of goodwill and other intangible assets pursuant to ASC 350.

"Governmental Authority" means any United States federal, state or local or any non-United States government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Intellectual Property" means (a) the call letters KULR, KTMF, KFBB, and KWYB as well as the combination of each with suffixes TV, DT, LP, and LD; (b) trademarks, service marks, trade names (including, but not limited to "Montana News Network" and "Montana Sports Network"), Internet domain names, designs, logos, jingles, slogans and general intangibles of like nature, together with goodwill, registrations and applications relating to the foregoing; (c) patents, copyrights (including registrations and applications for any of the foregoing); and (d) software, confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies.

"IRC" means the Internal Revenue Code, Title 26 of the United States Code.

"IRS" means the Internal Revenue Service.

"Knowledge of Sellers" means the actual knowledge of A. E. Loving, Jr., John A. Trinder, David J Wilhelm and Linda Gray and, with regard only to Sections 3.09(b), 3.10(d), 3.20, and 3.21, of A. E. Loving, Jr., John A. Trinder, David J Wilhelm, Linda Gray, Roger Hatcher and Michael Anderson.

"Law" means any federal, state, local or non-United States statute, law, ordinance, regulation, rule, code, order or other requirement of law.

"Liabilities" means, as to any Person, all debts, adverse claims, liabilities and obligations, direct, indirect, absolute or contingent of such Person, whether known or unknown, whether accrued, vested or otherwise, whether in contract, tort, strict liability or

otherwise and whether or not actually reflected, or required by GAAP to be reflected, in such Person's balance sheets or other books and records.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, lien or charge of any kind.

"Losses" means any and all losses, damages, costs, expenses, Liabilities, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys' and consultants' fees and expenses and other costs and expenses reasonably incurred in any investigation, remediation, defense or settlement).

"Material Adverse Effect" means a material adverse effect on the Broadcasting Assets taken as a whole or the results of operations or the financial condition of the Business, except for any adverse effect arising out of or resulting from or attributable to (a) any event, state of facts or circumstances or development affecting television programming services generally or the television broadcast industry generally (including legislative or regulatory matters); (b) general economic conditions; (c) any downturn caused by acts of war or terrorism or a natural disaster, such as an earthquake or hurricane, except to the extent such occurrence disproportionately affects one or more of the Stations relative to other television broadcast stations in the U.S.; (d) any change or development resulting from the execution of this Agreement or the Ancillary Agreements, the consummation of the transactions contemplated hereby or thereby or the public announcement hereof; (e) any material adverse change in the Station's "Nielsen Ratings" as reported in the ratings information provided by the Nielsen Media Research, Inc.; or (f) any change or development resulting from the failure of Purchaser to consent to any of the actions proscribed by Section 5.01, provided, however, that in the case of the exceptions contained in subsections (d) and (f), such change or development must be directly and demonstrably caused by the particular circumstance described therein.

"Permitted Liens" means, as to any property or asset of the Stations: (a) Liens for Taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith and for which appropriate reserves exist on the Financial Statements, (b) the terms and conditions of any Leases, (c) zoning Laws and ordinances and similar Laws that are not materially violated by any existing improvement or that do not prohibit the use of the Real Property as currently used in the operation of the Business; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in any permits); (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor, (ii) any statutory Lien for amounts that are not yet due and payable or are being contested in good faith, and (iii) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property; (f) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters affecting title that do not materially impair the use of the property in the ordinary course of the business of the Business; (g) statutory materialmen's, mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business and on a basis consistent with past practice for amounts not yet due; (h) Liens that will be discharged prior to or simultaneously with Closing; (i) pledges or deposits to secure obligations required under workers' compensation Laws or similar Laws or necessary to secure public or statutory

obligations and which pledges or deposits are reflected in the Financial Statements to the extent required by GAAP; (j) Liens set forth in Section 1.01(b) of the Disclosure Schedule Section and (k) any state of facts an accurate survey would show, provided same does not render title unmarketable or prevent in any material manner the Real Property being utilized in substantially the same manner as currently used

"Person" means any natural person, general or limited partnership, corporation, limited liability company, firm, association or other legal entity.

"Program Rights" means any rights of Sellers presently existing or obtained after the date of this Agreement and prior to the Closing in accordance with the terms of this Agreement to broadcast television programs as part of the Station's programming, including all film and program barter agreements, sports rights agreements, news rights or service agreements and syndication agreements.

"Program Rights Agreement" means any agreement for the provision of Program Rights.

"Stations" means television stations KULR-DT, KTMF-DT, KTMF-LD, KFBB-DT, KWYB-DT, KWYB-LD, and KHBB-LD, including the primary programming channel and all digital subchannels of each.

"Tax" or "Taxes" means any and all income, excise, gross receipts, license, premium, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, payroll, withholding, social security (or similar), unemployment, intangibles, alternative or add-on minimum, estimated or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest, penalties, additions to tax and additional amounts imposed by any Tax authority or Governmental Authority with respect thereto.

"Tax Returns" means all returns and reports (including elections, declarations, amendments, schedules, information returns or attachments thereto) required to be supplied to a Tax authority relating to Taxes.

Section 1.02 Glossary of Defined Terms. Each of the terms set forth below shall have the meaning ascribed thereto in the following sections:

<u>Term</u>	<u>Section</u>
Adjustment Amount .....	2.07(c)
Affected Employee.....	5.05(a)
Arbitrating Firm .....	2.07(d)
Assignment Applications .....	5.04(a)
Assumed Liabilities.....	2.02(a)
Balance Sheet Date .....	3.04
Basket Amount.....	8.01(e)
Broadcasting Assets .....	2.01(a)
Business .....	Recitals
Closing .....	2.04



<u>Term</u>	<u>Section</u>
Closing Date.....	2.04
Collection Period.....	2.08(a)
Confidentiality Agreement.....	5.03
Cutoff Time.....	2.07(a)
Designated Market Area .....	5.01(d)
Determination.....	5.04(b)(iv)
Employee.....	3.14(a)
Employee Schedule.....	5.05(a)
Employees .....	3.14(a)
Environmental Claim .....	3.21(f)(i)
Environmental Laws .....	3.21(f)(ii)
ERISA Affiliate.....	3.14(a)
Escrow Agent.....	2.03(e)
Escrow Agreement.....	2.03(e)
Escrow Deposit .....	2.03(e)
Excluded Assets .....	2.01(b)
Excluded Liabilities .....	2.02(b)
Existing Purchaser Assets .....	5.04(c)
FAA.....	3.09(c)
FCC Consents .....	5.04(a)
Final Allocation.....	2.03(c)
Financial Statements .....	3.04
Hazardous Materials.....	3.21(f)(iii)
Indemnifiable Loss.....	8.01(d)
Indemnified Party.....	8.01(f)
Indemnifying Party.....	8.01(f)
Indemnity Payment .....	8.01(f)
Leased Real Property .....	2.01(a)(ii)
Leases.....	3.10(c)
Material Consents.....	6.02(f)
Material Other Licenses .....	3.09(d)
Mid-Range .....	2.07(e)
MVPD .....	3.18(b)
Plans .....	3.14(a)
Political Maximum Amount.....	2.03(a)
Political Period.....	2.03(d)
Political Revenue .....	2.03(a)
Political Revenue Share .....	2.03(a)
Post-Closing Period.....	5.06(b)
Pre-Closing Period .....	5.06(b)
Preliminary Adjustment Report .....	2.07(c)
Property Taxes .....	5.06(b)
Purchase Price .....	2.03(a)
Purchaser.....	Preamble
Purchaser Employee Plans .....	5.05(b)

<u>Term</u>	<u>Section</u>
Purchaser Indemnified Parties .....	8.01(b)
Purchaser's 401(k) Plan .....	5.05(e)
Real Property .....	2.01(a)(ii)
Release .....	3.21(f)(iv)
Seller Indemnified Parties .....	8.01(c)
Sellers .....	Preamble
Sellers' 401(k) Plan .....	5.05(e)
Straddle Period .....	5.06(b)
Terminating Purchaser Breach .....	7.01(b)
Terminating Sellers Breach .....	7.01(c)
Third Party Accounts Receivable .....	2.08(a)
Tolling Agreement .....	5.04(a)
Transferred Contracts .....	2.01(a)(iv)
WARN Act .....	5.04(f)

Section 1.03 Terms Generally. (a) Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires, (b) the terms "hereof", "herein", and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Disclosure Schedule references are to the Articles, Sections, paragraphs, Exhibits and Disclosure Schedules to this Agreement unless otherwise specified, (c) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified, (d) the word "or" shall not be exclusive and (e) provisions shall apply, when appropriate, to successive events and transactions.

## ARTICLE II

### PURCHASE AND SALE

Section 2.01 Purchase and Sale. (a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase and accept from Sellers, all of Sellers' right, title and interest in and to all of the assets used in, or relating to, the Business, other than the Excluded Assets free and clear of all security interests and all Liens except for Permitted Liens (the assets to be purchased by Purchaser being referred to as, the "Broadcasting Assets"), including the following:

- (i) all broadcasting and other equipment, transmitters, antennas, studio and control room equipment, office furniture, fixtures, tapes, office materials and supplies, spare parts, tubes and other tangible personal property of every kind and description that are used in, or that relate to, the Business, including the assets set forth in Section 2.01(a)(i) of the Disclosure Schedule;

(ii) all interests of Sellers as of the date of this Agreement in all land, leaseholds, rights-of-way, easements and other interests of every kind and description in and to all of the real property and buildings, towers, fixtures and improvements thereon, used in the Business or operation of the Stations, including without limitation those listed and described on Section 2.01(a)(ii) of the Disclosure Schedule (which indicates whether property is owned or leased ("Leased Real Property")) and any additions and improvements thereto (collectively, the "Real Property");

(iii) all vehicles owned, leased, or otherwise used by the Stations, including, without limitation, those listed and described in Section 2.01(a)(iii) of the Disclosure Schedule;

(iv) all Contracts to which a Seller is a party or by which a Seller is bound that are used in, or that relate to, the Business or to which the Broadcasting Assets are subject, including (A) all orders, arrangements, Contracts and understandings for the sale of advertising time on the Stations, (B) all trade, barter or similar agreements for the sale of time for goods or services (C) all Program Rights Agreements and (D) the Contracts set forth in Section 2.01(a)(iv) of the Disclosure Schedule (collectively, the "Transferred Contracts"), except those Contracts which on the Closing Date have already been filled or have expired;

(v) all prepayments under advertising sales Transferred Contracts to the extent such prepayments or portion thereof is payment for committed air time for advertising that has not been aired prior to the Closing Date;

(vi) all prepayments paid to Sellers by any lessee pursuant to a lease that is a Transferred Contract to the extent such prepayment or portion thereof is with respect to periods from and after the Closing Date and any security deposit paid to Sellers by any lessee pursuant to any such lease;

(vii) all (A) FCC Licenses and (B) any other permits, certificates, consents, approvals, licenses and authorizations issued or granted by any Governmental Authority used in, or that relate to, the Business;

(viii) the files, lists, tapes, books and records, including all FCC logs and other records, used in, or that relate to, the Business;

(ix) all Sellers' right, title and interest in Business Intellectual Property;

(x) all programs and programming materials and elements of whatever form or nature owned by Sellers that are used in, or that relate to, the Business, whether recorded on film, tape or any other medium or intended for live performance, television broadcast or other medium and whether completed or in production, and all related common law and statutory intangible rights used in, or that relate to, the Business;

(xi) all rights and claims relating to any other Broadcasting Asset (to the extent relating to periods after the Closing Date) or any Assumed Liability, including all guarantees, warranties, indemnities and similar rights in favor of a Seller in respect of

any other Broadcasting Asset (to the extent relating to periods after the Closing Date) or any Assumed Liability; and

(xii) all Sellers' goodwill in, and going concern value of, the Business.

(b) Notwithstanding the terms of Section 2.01(a), Sellers shall not sell, assign, transfer, convey or deliver to Purchaser, and Purchaser shall not purchase and accept, and the Broadcasting Assets shall not include, any of Sellers' right, title and interest in and to any of the following assets (the "Excluded Assets"):

(i) all cash and cash equivalents, securities, and negotiable instruments of Sellers on hand, in lock boxes, in financial institutions or elsewhere;

(ii) all Accounts Receivable;

(iii) all assets and properties of every kind and description and wherever located, directly or indirectly, owned or held for use by Sellers and not used in, or related to, the Business;

(iv) Sellers' prepaid business (including liability, business interruption and the like) and group insurance premiums;

(v) all Contracts of insurance;

(vi) all rights and claims relating to any Excluded Assets or any Excluded Liabilities, including all guarantees, warranties, indemnities and similar rights in favor of a Seller or any Affiliate of a Seller in respect of any Excluded Assets or any Excluded Liabilities;

(vii) any rights to Tax refunds, credits or similar benefits or Tax attributes relating to or attributable to periods ending, or an event occurring, prior to the Closing Date;

(viii) the minute books from the meetings of the managers, directors, and owners of Sellers, the stock records and corporate seals of Sellers and the Tax Returns and records relating to Taxes of Sellers;

(ix) all rights of Sellers under this Agreement and the Ancillary Agreements; and

(x) all rights of Sellers with respect to the assets of any Plan;

(xi) prepaid (A) expenses, (B) deposits, (C) ad valorem Taxes, (D) leases and (E) rentals; and

(xii) all assets set forth in Section 2.01(b)(xii) of the Disclosure Schedule.

Section 2.02 Assumption and Exclusion of Liabilities.

(a) Assumed Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall, on the Closing Date, assume, agree to pay, perform and discharge when due, and indemnify and hold Sellers harmless from and against any and all Losses attributable to, the following Liabilities (the "Assumed Liabilities"):

(i) all Liabilities arising under any Transferred Contracts relating to the period from and after the Closing Date;

(ii) all Liabilities related to Employees set forth in Section 5.05 of the Agreement; and

(iii) all Liabilities arising on or after, and relating to the period from and after, the Closing Date arising out of or related to the ownership or operation of the Broadcasting Assets or the Business; provided that in no event will Purchaser be responsible for any Liabilities relating to the Employees (other than Liabilities arising from Purchaser's post-Closing employment of the Affected Employees) or the Plans, except as set forth in Section 2.07 and Section 5.05.

(b) Excluded Liabilities. Except as expressly provided in Section 2.02(a), Purchaser shall not assume or be liable for any other Liabilities of Sellers, including the following Liabilities (the "Excluded Liabilities"):

(i) all Taxes of Sellers or attributable to the Business or the Broadcasting Assets for any period, or any portion of any period, ending as of or prior to the Cutoff Time;

(ii) all Liabilities relating to the Excluded Assets;

(iii) all Liabilities relating to the Plans;

(iv) all intercompany payables;

(v) all Liabilities to the extent arising from facts, conditions or actions first beginning prior to the Closing Date under any Environmental Laws or otherwise relating to the environment or natural resources, human health and safety or Hazardous Materials and related to the Broadcasting Assets;

(vi) all Liabilities arising out of or relating to the ownership of the Broadcasting Assets or operation of the Business, Broadcasting Assets or the Stations prior to the Closing Date; and

(vii) any Liabilities of Sellers under this Agreement and the Ancillary Agreements.

Section 2.03 Purchase Price; Allocation of Purchase Price.

(a) The aggregate total purchase price for the Broadcasting Assets shall be eighteen million dollars (\$18,000,000.00), subject to adjustment pursuant to Section 2.07 (the "Purchase Price") plus an amount equal to fifty percent (50%) of Political Revenue (the "Political Revenue Share"). For the purposes of this Agreement, "Political Revenue" means the aggregate gross revenues, less agency and sales commissions (whether paid to a station account executive or a media representation firm), after the subtraction of any refunds as a result of cancellations, inability to fulfill contracts, or other reasons, which revenues are received by the Stations during calendar year 2014 with respect to any election, whether national, state or local election or referendum, from any IRC Section 501(c)(4) organization or political action committee, or from any other source if the primary purpose of the advertising is to advocate on behalf of a political issue or candidate. Political Revenue shall not include revenues from advertising consisting of advocacy for or education relating to health insurance exchanges that are being or have been established under the Patient Protection and Affordable Care Act. The Political Revenue Share shall not, under any circumstances, exceed three million five hundred thousand dollars (\$3,500,000.00) (the "Political Maximum Amount").

(b) Purchaser shall pay the Purchase Price in cash to Sellers at the Closing as provided in Section 2.06(a). Purchasers shall pay the Political Revenue Share to Sellers as follows: with respect to Political Revenue received during the calendar quarters ending March 31, 2014, June 30, 2014 and September 30, 2014, Purchaser shall pay to Sellers the Political Revenue Share on or before the last Business Day of the month following such quarter end, with respect to Political Revenue during October and November 2014, Purchaser shall pay to Sellers the Political Revenue Share on or before the last Business Day of the following month and Purchaser shall pay to Sellers the remainder of the Political Revenue Share on or before January 31, 2015. With each payment, Purchaser shall provide Seller a report containing adequate information for Sellers to determine the Political Revenue in such payment period.

(c) Prior to February 27, 2015, after ten (10) days' notice to Purchaser, Sellers and their accountants and representatives, at Sellers' expense except as hereinafter provided, shall have the right to review and audit Purchaser's books and records to determine that Purchaser has complied with the provisions of this Section 2.03; provided, however, Seller may not conduct more than two (2) such audits, and this right to audit shall terminate at the time, if ever, Purchaser has paid Sellers the Political Maximum Amount. If any such audit discloses a deficiency of greater than five percent (5%) of Political Revenue reported or of the Political Revenue Share paid by Purchaser to Sellers and Purchaser, Purchaser shall promptly pay to Sellers any reasonable costs incurred by Sellers in conducting the audit. If any such audit discloses a deficiency of any amount in the payment of Political Revenue Share, Purchaser shall promptly pay to Sellers the amount of the deficiency, together with interest thereon at the rate of ten percent (10%) per annum from the date when such payment should have been made to the date of payment thereof.

(d) Subject to Law and its duties as a broadcast licensee and in keeping with standard practices in the television broadcasting industry (which may include a payment-in-advance requirement for political and issue advertising), Purchaser shall use commercially reasonable efforts to maximize Political Revenue during calendar year 2014. During 2014 until the time, if ever, Purchaser has paid Sellers the Political Maximum Amount, Purchaser (i) shall

provide Sellers notice if Purchaser refuses or fails to run any order for advertising that would generate Political Revenue of five thousand dollars (\$5,000) or more.

(e) On the date of this Agreement, Purchaser shall deliver to Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), the sum of one million eight hundred thousand dollars (\$1,800,000.00) in readily available funds to be held in escrow (the "Escrow Deposit") pending the Closing of the transaction pursuant to an escrow agreement among Sellers, Purchaser and Escrow Agent in the form of Exhibit A to this Agreement (the "Escrow Agreement"). At Closing, the Escrow Deposit shall be delivered to Sellers as a partial payment of the Purchase Price and the accrued interest delivered to Purchaser. If this Agreement is terminated by Sellers due to a material default in the observance or performance of any term or covenant of this Agreement or a material breach of any material term, representation, warranty or covenant of this Agreement by Purchaser and Sellers are not materially in default or breach of this Agreement, the Escrow Deposit and any accrued interest thereon shall be disbursed to Sellers as their exclusive remedy. If this Agreement is terminated for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to Purchaser. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

(f) Within thirty (30) days after the date of this Agreement, Sellers shall prepare and deliver to Purchaser a proposed allocation of the Purchase Price plus the Assumed Liabilities (and subsequent adjustments, if any) among the Broadcasting Assets in accordance with Section 1060 of the IRC (and any similar provision of state or local Law, as appropriate). Within twenty five (25) days after Purchaser's receipt of such proposed allocation, Sellers and Purchaser shall cooperate in developing and agree upon a final allocation in accordance with Section 1060 of the IRC (and any similar provision of state or local Law, as appropriate) (the "Final Allocation"). Each of Purchaser and Sellers shall (i) timely file all forms (including IRS Form 8594) and Tax Returns required to be filed in connection with the Final Allocation; (ii) be bound by the Final Allocation for purposes of determining Taxes; (iii) prepare and file, or cause to be prepared and filed, its Tax Returns on a basis consistent with the Final Allocation; and (iv) take no position, or cause no position to be taken, inconsistent with the Final Allocation on any applicable Tax Return, in any audit or proceeding before any Governmental Authority, in any report made for Tax, financial accounting or any other purposes, in any litigation, or otherwise; provided, however, that if the parties cannot agree upon a Final Allocation, each party may file its own IRS Form 8594. Each party will provide to the other party any information returns required by Section 1060 of the IRC and any similar state or local statute at least sixty (60) days prior to filing such returns. Such returns shall be subject to the other party's review and consent, which shall not be unreasonably withheld. If the Final Allocation is disputed by any Governmental Authority, the party receiving notice of such dispute shall promptly notify the other party hereto concerning the existence and resolution of such dispute. The provisions of this Section 2.03(c) shall survive the Closing

Section 2.04 Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Broadcasting Assets contemplated hereby shall take place at a closing (the "Closing") to be held at 10:00 a.m., Washington, DC time, on the fourth Business Day following the satisfaction or waiver of the conditions to the obligations of the parties set forth in Article VI,

at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 1440 New York Avenue, NW, Washington, DC, or at such other time or on such other date or at such other place as Sellers and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being, the "Closing Date"). Sellers and Purchaser shall use commercially reasonable efforts to schedule a Closing Date no later than November 22, 2013 if the FCC Consent and other conditions to Closing have been met.

Section 2.05 Closing Deliveries by Sellers. At the Closing, Sellers shall deliver or cause to be delivered to Purchaser:

- (a) receipts for the Purchase Price;
- (b) the Bill of Sale; and
- (c) the certificates and other documents to be delivered pursuant to Article VI.

Section 2.06 Closing Deliveries by Purchaser. At the Closing, Purchaser shall deliver:

- (a) to Sellers, the Purchase Price, as adjusted pursuant to Section 2.07 below, by wire transfer in immediately available funds, to an account or accounts designated at least three (3) Business Days prior to the Closing Date by Sellers in a written notice to Purchaser;
- (b) to Sellers, the Assumption Agreement; and
- (c) the certificates and other documents to be delivered pursuant to Article VI.

Section 2.07 Prorations and Adjustments.

(a) All prepaid and deferred income and expenses relating to the Broadcasting Assets and arising from the operation of the Business shall be prorated between Purchaser and Sellers in accordance with GAAP as of 12:01 a.m. of the Closing Date (the "Cutoff Time"). Such prorations shall include without limitation all Taxes, the annual FCC regulatory fees, music and other license fees, Program Rights charges, any accrued vacation for Affected Employees, utility expenses, rent and other amounts under the Transferred Contracts and similar prepaid and deferred items. Sellers shall receive a credit for all of the Business's deposits and prepaid expenses. Sales commissions earned prior to the Closing Date and related to the sale of advertisements broadcast on the Stations prior to the Cutoff Time shall be the responsibility of Sellers, and sales commissions related to the sale of advertisements broadcast on the Stations after the Cutoff Time shall be the responsibility of Purchaser. It is agreed and understood by the parties that any payables under Program Rights Agreements that are contractually due in the month in which the Closing takes place shall be apportioned on a pro rata basis based upon the number of days in the calendar month which includes the Closing Date.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Purchaser pursuant to Section 2.01(a)(iv) (excluding any Program Rights Agreements), if at the Cutoff Time the Business has an aggregate negative or positive barter balance in excess of \$25,000 (i.e., the amount by which the value of air time to be provided by the Business after the Cutoff Time exceeds, or conversely, is less than, the fair



market value of corresponding goods and services by more than \$25,000), there shall be a proration or adjustment and such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or an Account Receivable of Sellers, and adjusted for as a proration in Purchaser's or Sellers' favor, as applicable. In determining barter balances, the value of air time shall be based upon the fair market value of the goods and services received by the Business, and corresponding goods and services shall include those to be received by the Business after the Cutoff Time plus those received by the Business before the Cutoff Time to the extent conveyed by Sellers to Purchaser as a part of the Broadcasting Assets.

(c) No later than three (3) Business Days prior to the scheduled Closing Date, Sellers shall provide Purchaser with a statement setting forth a reasonably detailed computation of Sellers' reasonable and good faith estimate of the Adjustment Amount (defined below) as of the Cutoff Time (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 2.07. If the Adjustment Amount reflected on the Preliminary Adjustment Report is a credit to Purchaser, 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 Purchaser, then the Purchase Price payable at Closing shall be increased by the amount of such preliminary Adjustment Amount. For a period of one hundred twenty (120) days after Closing, Sellers and their auditors and Purchaser and its auditors may review the Preliminary Adjustment Report and the related books and records of Sellers with respect to the Business, and Purchaser and Sellers will in good faith seek to reach agreement on the final Adjustment Amount. If agreement is reached within such 120-day period, then promptly thereafter Sellers shall pay to Purchaser or Purchaser shall pay to Sellers, 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. If agreement is not reached within such 120-day period, then the dispute resolutions of Section 2.07(d) shall apply.

(d) If the parties do not reach an agreement on the Adjustment Amount within the 120-day period specified in Section 2.07(c), then Sellers and Purchaser shall select an independent accounting firm of recognized national standing that is not rendering (and during the preceding two-year period has not rendered) audit or non-audit services to either party or their respective Affiliates (the "Arbitrating Firm") to resolve the disputed items. If Sellers and Purchaser do not agree on the Arbitrating Firm within five (5) calendar days after the end of such 120-day period, then the Arbitrating Firm shall be a nationally recognized independent accounting firm that is not rendering (and during the preceding two-year period has not rendered) audit or non-audit services to either party or their respective Affiliates selected by lot (after excluding one firm designated by Sellers and one firm designated by Purchaser). Purchaser and Sellers 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, the basis for its determination and whether its determination is within the Mid-Range (defined below) or if not, whether it is closer to Purchaser's or Sellers' written determination of the Adjustment Amount.

Any determination by the Arbitrating Firm in accordance with this Section shall be final and binding on the parties. Within five (5) calendar days after the Arbitrating Firm delivers to the parties its written determination of the Adjustment Amount, Sellers shall pay to Purchaser, or Purchaser shall pay to Sellers, 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.

(e) If the Arbitrating Firm's determination of the Adjustment Amount is within the Mid-Range, then Sellers and Purchaser shall each pay one-half of the fees and disbursements of the Arbitrating Firm in connection with its analysis. If the Arbitrating Firm's determination of the Adjustment Amount is not within the Mid-Range, then (i) if the Arbitrating Firm determines that the written position of Purchaser concerning the Adjustment Amount is closer to its own determination, then Sellers shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis, or (ii) if the Arbitrating Firm determines that the written position of Sellers concerning the Adjustment Amount is closer to its own determination, then Purchaser shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis. As used herein, the term "Mid-Range" means a range that (i) equals thirty-three percent (33%) of the absolute difference between the written positions of Purchaser and Sellers as to the Adjustment Amount and (ii) has a midpoint equal to the average of such written positions of Purchaser and Sellers.

(f) All payments to be made under this Section 2.07 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.

#### Section 2.08 Third Party Accounts Receivable.

(a) On the Closing Date, Sellers shall prepare and deliver to Purchaser a statement listing all Accounts Receivable other than any intercompany accounts receivable (the "Third Party Accounts Receivable"). During the period commencing with the Closing Date and ending on the one hundred twentieth (120<sup>th</sup>) day after the Closing Date (the "Collection Period"), Purchaser shall, without charge to Sellers, use commercially reasonable efforts to collect the Third Party Accounts Receivable consistent with Purchaser's practices for collection of its accounts receivable; provided, however that Purchaser shall not discount, adjust or otherwise compromise any Third Party Accounts Receivable without the prior written consent of Sellers. Purchaser shall account to Sellers and remit to Sellers all amounts collected by Purchaser with respect to the Third Party Accounts Receivable in accordance with the following schedule: (i) on or before the twentieth (20<sup>th</sup>) day of the first complete calendar month after the Closing Date, remit all amounts collected up to the end of the previous month; and (ii) on or before the twentieth (20<sup>th</sup>) day of each succeeding month, remit all amounts collected during the month previous thereto. With each remittance, Purchaser shall furnish a statement of the amounts collected and the Persons from whom such amounts were collected. Any payment received by Purchaser (i) at any time after the Closing and (ii) from a customer of the Business after the Closing who was also a customer of the Business prior to the Closing, shall be presumptively applied to the accounts receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be a Third Party Accounts Receivable, remitted to Sellers in accordance with the provisions set forth above; provided, however, that if, prior to the

Closing, Sellers or, after the Closing, Sellers or Purchaser received or receive a written notice of dispute from a customer with respect to a Third Party Accounts Receivable that has not been resolved, then Purchaser shall apply any payments from such customer to such customer's oldest, non-disputed accounts receivable. Unless requested by Sellers and subject to Purchaser's consent, which shall not be unreasonably withheld, conditioned or delayed, Purchaser shall not be obligated to refer any of the Third Party Accounts Receivable to a collection agency or to an attorney for collection; provided, however, that Sellers shall bear any and all fees and expenses of any collection agency or attorney to which Purchaser refers any Third Party Accounts Receivable at Sellers' request. Purchaser shall incur no liability to Sellers for any collected (other than to comply with the provisions of this Section 2.08(a)) or uncollected Third Party Accounts Receivable. Notwithstanding the foregoing, if Sellers have referred any Third Party Accounts Receivable to a collection agency or to any attorney or other Person for collection prior to the Closing Date, Purchaser shall not be authorized to collect such Third Party Accounts Receivable on behalf of Sellers, and Sellers shall have full authority to attempt to collect such Third Party Accounts Receivable.

(b) Following the expiration of the Collection Period, Purchaser shall have no further obligations under this Section 2.08, except that Purchaser shall immediately pay over to Sellers any amounts not previously remitted to Sellers and any amounts subsequently paid to it with respect to any Third Party Accounts Receivable. Following the Collection Period, Sellers may pursue collections of all the Third Party Accounts Receivable, and Purchaser shall at Sellers' expense deliver to Sellers all files, records, notes and any other materials relating to the Third Party Accounts Receivable.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant to Purchaser, except as otherwise set forth in the Disclosure Schedule, as follows (it being agreed and understood that (i) any matter set forth for purposes of this Article III in any section of the Disclosure Schedule shall be deemed disclosed with respect to any other section of this Article III, but only to the extent the relevance and significance to such other section of this Article III is reasonably evident from such disclosure, and (ii) no reference to or disclosure of any item on the Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed on the Disclosure Schedule):

Section 3.01 Organization and Authority of Sellers. Each Seller is duly organized and validly existing under the Laws of the Commonwealth of Virginia. Each Seller has all necessary legal power and authority to enter into this Agreement and each applicable Ancillary Agreement, to carry out its respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each applicable Ancillary Agreement by each Seller, the performance by each Seller of its respective obligations hereunder and thereunder and the consummation by each Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of each Seller. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by each Seller will be, duly executed and

delivered by each Seller, and (assuming due authorization, execution and delivery by Purchaser) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by a Seller will constitute, the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.02 No Conflict. Assuming all consents, approvals, authorizations and other actions described in Section 3.03 have been obtained, and except as may result from any facts or circumstances relating to Purchaser or as set forth in Section 3.02 of the Disclosure Schedule or as otherwise provided in this Article III, the execution, delivery and performance of this Agreement and the applicable Ancillary Agreements by each Seller do not and will not (a) violate or conflict with the organizational documents or operating agreement of such Seller, (b) conflict with or violate any Governmental Order applicable to such Seller, (c) conflict with or violate any Law applicable to such Seller or (d) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of such Seller pursuant to, any Contract to which such Seller is a party or by which any assets or properties of such Seller are subject, except in the case of clauses (c) and (d) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not have a Material Adverse Effect.

Section 3.03 Consents and Approvals. Except as set forth in Section 3.03 of the Disclosure Schedule, the execution and delivery of this Agreement and the applicable Ancillary Agreements by each Seller do not, and the performance of this Agreement and the applicable Ancillary Agreements by each Seller will not, require any consent, approval, authorization or other action by, or filing with or notification to, any Governmental Authority or Person, except (a) the FCC, (b) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent such Seller from performing any of its obligations under this Agreement or any of the Ancillary Agreements, (c) as may be necessary as a result of any facts or circumstances relating solely to Purchaser or its Affiliates or (d) where the failure to obtain such consents, approvals or authorizations, to take such action, or to make such filing or notification would not have a Material Adverse Effect.

Section 3.04 Financial Information. The combined unaudited balance sheet of Sellers for the fiscal year ended December 31, 2012 (the "Balance Sheet Date") and the respective related unaudited income statement of Sellers and the unaudited combined income statement of Sellers for the six-month period ended June 30, 2013 are set forth on Section 3.04(a) of the Disclosure Schedule (collectively, the "Financial Statements"). Except as set forth therein and except as set forth in Section 3.04(b) of the Disclosure Schedule, (a) the Financial Statements have been, and the monthly unaudited income statements to be delivered pursuant to Section 5.02(d) will be, prepared in accordance with the books and records regularly maintained by Sellers with respect to the Business; (b) the Financial Statements present fairly, in all material respects, the financial condition and results of operations of the Business as of the respective

dates and for the respective periods thereof; and (c) the unaudited income statement included in the Financial Statements presents fairly, and the monthly unaudited income statements to be delivered pursuant to Section 5.02(d) will present fairly, in each case in all material respects, the results of operations of the Business for the period thereof (subject to normal year-end adjustments).

Section 3.05 No Undisclosed Liabilities. Except as set forth in Section 3.05 of the Disclosure Schedule and except (a) for Liabilities and obligations incurred in the ordinary course of business since the Balance Sheet Date, (b) for Liabilities and obligations incurred in connection with the transactions contemplated by this Agreement, (c) for Liabilities and obligations that would not have a Material Adverse Effect and (d) for other Liabilities and obligations that are otherwise the subject of any other representation or warranty contained in this Article III, since the Balance Sheet Date, Sellers have not incurred any Liabilities or obligations that would be required to be reflected or reserved against in a consolidated balance sheet of the Business prepared in accordance with GAAP as applied in preparing the audited balance sheet of the Business included in the Financial Statements.

Section 3.06 Conduct of Business; Absence of Certain Changes. Except as set forth on Section 3.06(a) of the Disclosure Schedule or as contemplated by this Agreement, since the Balance Sheet Date to the date hereof the Business has been conducted in the ordinary course consistent with past practice. Except as set forth on Section 3.06(b) of the Disclosure Schedule, since the Balance Sheet Date, there has not occurred any event or condition that has had a Material Adverse Effect that is continuing or that is reasonably likely to have a Material Adverse Effect.

Section 3.07 Absence of Litigation. Except as set forth on Section 3.07(a) of the Disclosure Schedule, as of the date hereof, (a) there are no Actions pending or, to the Knowledge of Sellers, threatened against any Seller or any of the assets or properties of any Seller and (b) neither Sellers nor any of their assets and properties are subject to any Governmental Order. Section 3.07(b) of the Disclosure Schedule lists each written inquiry received by Sellers during the twelve (12) months prior to the date of this Agreement from any Governmental Authority which is specifically concerned with the Business, the Stations or the Broadcasting Assets and alleges a violation of Law or requests any action on the part of Sellers to maintain the FCC Licenses.

Section 3.08 Compliance with Laws. None of the Sellers is in violation of any Laws (in any material respect) or Governmental Orders applicable to the conduct of the Business, except as set forth in Section 3.08 of the Disclosure Schedule or that would not have a Material Adverse Effect.

Section 3.09 Licenses and Authorizations.

(a) Section 1.01(a) of the Disclosure Schedule contains a true and complete list of all FCC Licenses as of the date hereof. A Seller is the authorized and legal holder of each of the FCC Licenses. The FCC Licenses constitute all of the licenses, permits or authorizations from the FCC necessary under the Communications Act and the current rules, regulations and

policies of the FCC to entitle Sellers to own and operate the Stations and carry on the Business in all material respects as currently conducted.

(b) Except as relates to the applications for FCC Licenses set forth in Section 3.09(b) of the Disclosure Schedule, the FCC Licenses are valid and in full force and effect and are unimpaired by any act or omission of Sellers or their respective officers, directors, Employees or agents. Sellers have filed all material reports, forms and statements required by the FCC to be filed by Sellers with respect to the Business in the current license term. There is no proceeding pending before or, to the Knowledge of Sellers, threatened by the FCC to revoke, suspend, cancel, refuse to renew or materially adversely modify any of the FCC Licenses, and except for the complaints pending before the FCC's Enforcement Bureau set forth in Section 3.09(b) of the Disclosure Schedule, there is not now pending or, to the Knowledge of Sellers, threatened, issued or outstanding by or before the FCC, any investigation, order to show cause, notice of violation, notice of apparent liability or notice of forfeiture or complaint against Sellers or any of their Affiliates with respect to the Business. The Stations are operating in all material respects in compliance with the FCC Licenses, the Communications Act and the current rules, regulations and policies of the FCC. Subject to the timely filing of complete and properly executed applications for renewal and payment of all applicable filing fees, as of the date hereof, Sellers have no reason to believe that the FCC will not renew the FCC licenses in the normal course.

(c) Except as set forth in Section 3.09(c) of the Disclosure Schedule, all towers and other antenna structures used in the operation of the Stations have been accurately registered with the Federal Aviation Administration ("FAA") and the FCC, to the extent required, and are marked, lighted, posted, and maintained in accordance with the rules of the FAA and the FCC.

(d) Section 3.09(d) of the Disclosure Schedule contains a true and complete list of all material permits, licenses and authorizations other than the FCC Licenses (the "Material Other Licenses") issued or granted by any Governmental Authority necessary to entitle Sellers to own and operate the Stations and carry on the Business as currently conducted. Each Material Other License is in full force and effect and, to the Knowledge of Sellers no violations of them have occurred that would result in a Material Adverse Effect.

#### Section 3.10 Real Property.

(a) Except as disclosed in Section 3.10(a) of the Disclosure Schedule: (i) the Real Property (whether owned or leased) comprises all interests in real property used by Sellers to conduct the business or operations of the Stations as now conducted; and (ii) the interests of Sellers in the Real Property provide reasonable access to each of the studio, office, and transmitter sites for the Stations and ingress and egress thereto from public roads, subject to the terms of relevant Leases or easements as of record.

(b) Except as disclosed in Section 3.10(b) of the Disclosure Schedule, each Seller has good and marketable fee simple title in and to the Real Property it owns, free and clear of all Liens (except for Permitted Liens).

(c) A list of the leases for all Leased Real Property that Sellers use in connection with the business or operation of the Stations that have a remaining term of more than six (6) months from December 1, 2013 and that involve payments over such remaining term of more than \$50,000 with respect to any single lease is attached hereto as Section 3.10(c) of the Disclosure Schedule (the "Leases"). Within five (5) Business Days of the execution of this Agreement, Sellers shall deliver to Purchaser copies of the Leases that are complete and correct in all material respects. A Seller holds a valid leasehold interest under each of the Leases, in each case free and clear of any Liens except Permitted Liens. Each of the Leases is in full force and effect on the terms set forth therein and has not been modified, amended or altered, in writing or otherwise except as disclosed in Section 3.10(c) of the Disclosure Schedule. No Seller is in material default under or, unless disclosed in Section 3.10(c) of the Disclosure Schedule, in arrears in the payment of any sum or in the performance of any obligation required of it under any of the Leases, and no circumstance presently exists which, with notice or the passage of time, or both, would give rise to a default by any Seller except as such as will not materially detract from the marketability or value of the Leased Real Property and does not impair the operations of the lessee thereof in any material respect.

(d) Except as set forth in Section 3.10(d) of the Disclosure Schedule, to the Knowledge of Sellers, Sellers' improvements upon and the use of the Real Property are not in material violation of any restrictions, restrictive covenants, building codes, fire regulations, building restrictions, and federal, state and local Laws, regulations and ordinances and there are no encroachments, easements, liens or title defects on any Real Property that would be revealed by an accurate survey. To the Knowledge of Sellers, the Real Property is either zoned or zoned together with variances, special use permits or conditional use permits for the various purposes for which the Real Property is currently being used by Sellers. Sellers' improvements on the Real Property used to conduct the Business and to operate the Broadcasting Assets are in good working condition and repair. To the Knowledge of Sellers, Sellers have received no notice of any pending or threatened Action to take by eminent domain or otherwise to condemn the Real Property. To the Knowledge of Sellers, Sellers have received no notice of any pending or threatened special assessment or reassessment of all or any portion of any of the Real Property. To the Knowledge of Sellers, Sellers have received no notice from any insurance company of any material defects or inadequacies in the Real Property or any part thereof, which would materially, adversely affect the insurability of the same or of any termination or threatened termination of any policy of insurance.

#### Section 3.11 Personal Property.

(a) A Seller owns, has a valid leasehold interest in or has the legal right to use all of the tangible personal property included in the Broadcasting Assets, free and clear of all Liens, except Permitted Liens.

(b) The Broadcasting Assets include all tangible personal property used to carry on the Business as currently conducted.

(c) Except for items of tangible personal property under repair or out of service in the ordinary course of business or as set forth on Section 3.11(b) of the Disclosure Schedule, each material item of tangible personal property included in the Broadcasting Assets is

in reasonably good operating condition and repair, ordinary wear and tear excepted, and those material items of tangible personal property included in the Broadcasting Assets constituting transmitting and studio equipment have been maintained in a manner consistent with generally accepted standards of good engineering practice.

Section 3.12 Transfer of Broadcasting Assets. At the Closing, Sellers will convey good and valid title to all of the Broadcasting Assets to Purchaser free and clear of any and all Liens, except Permitted Liens.

Section 3.13 Intellectual Property. Section 3.13 of the Disclosure Schedule sets forth a true and complete list of all registrations and applications for Business Intellectual Property and a list of all Business Intellectual Property owned by Sellers not subject to a registration or application. The registrations for Business Intellectual Property set forth in Section 3.13 of the Disclosure Schedule are valid, in good standing and, to the Knowledge of Sellers, uncontested. Except for such claims which would not have a Material Adverse Effect, there are no pending or threatened claims of which any Seller has been given written notice by any Person against its use of any Business Intellectual Property owned by such Seller. The applicable Seller has such ownership of or such rights by license, lease or other agreement to the Business Intellectual Property as are material to the operation of and necessary to conduct the Business as currently conducted. Sellers have not received any written notice alleging that any Seller is infringing upon or unlawfully or improperly using any Intellectual Property owned or alleged to be owned by any other Person, which allegation if true would have a Material Adverse Effect. The Business Intellectual Property owned by Sellers is free and clear of all Liens, other than Permitted Liens. Following the Closing, Sellers and their Affiliates will have no ownership interest in the Business Intellectual Property. Sellers have not granted any outstanding licenses or other rights to any Business Intellectual Property and, as of the date hereof, to the Knowledge of Sellers, there is no infringement of any of the Business Intellectual Property.

Section 3.14 Employee Benefit Plans.

(a) Section 3.14(a) of the Disclosure Schedule contains a true and complete list as of the date hereof of each deferred compensation, bonus, incentive compensation, stock purchase, stock option, equity compensation plan, program, agreement or arrangement; each severance or termination pay, medical, surgical, hospitalization, life insurance and other "welfare" plan, fund or program (within the meaning of Section 3(1) of ERISA); each profit-sharing, stock bonus or other "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA); each employment, termination or severance agreement; and each other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by any Seller or by any trade or business, whether or not incorporated (an "ERISA Affiliate"), that together with any or all Sellers would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA, or to which any Seller or an ERISA Affiliate is party, whether written or oral, for the benefit of any employee (each, an "Employee" and collectively, the "Employees") of any Seller primarily engaged in the Business (collectively, the "Plans").



(b) No liability under Title IV or Section 302 of ERISA has been incurred by any Seller or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to Purchaser of incurring any such liability.

(c) Except as set forth in Section 3.14(c) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (i) entitle any Employee to severance pay or any other payment, except as expressly provided in this Agreement, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any Employee.

(d) There are no pending claims by or on behalf of any Plan by any Employee or beneficiary covered under any such Plan, or otherwise involving any such Plan (other than routine claims for benefits).

(e) To the Knowledge of Sellers, each of the Plans (i) is in material compliance with all applicable provisions of ERISA, the IRC and all other applicable Laws and (ii) has been administered, operated and managed in all material respects in accordance with its governing documents. No Seller, any of their respective ERISA Affiliates, any Plan, any trust created thereunder, or any trustee or administrator thereof has engaged in a transaction in connection with which such Seller or any of its ERISA Affiliates, any Plan, any such trust, or any trustee or administrator thereof, or any party dealing with any Plan or any such trust could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the IRC. There are no pending or, to the Knowledge of Sellers, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted relating to the Plans that, in each case, would reasonably be expected to result in a material liability to any Seller or any ERISA Affiliate. All employer and employee contributions to each Plan required by Law or by the terms of such Plan have been timely made, or, if applicable, accrued, in accordance with applicable accounting practices.

(f) No Seller or any ERISA Affiliate maintains a welfare benefit plan providing continuing benefits after the termination of employment (other than as required by Section 4980B of the IRC and at the former Employee's own expense) for any current or former Employees of Sellers.

Section 3.15 Employees; Labor Matters. Section 3.15 of the Disclosure Schedule sets forth a true and complete list of all Employees as of September 23, 2013, including each such Employee's title, original date of hire and current rate of compensation. As of the date hereof, no Seller is a party to any collective bargaining or other labor union contract applicable to the Employees and no collective bargaining agreement is presently being negotiated by any Seller. As of the date hereof, Sellers have not recognized, or received a written demand for recognition of, any collective bargaining representative. As of the date hereof, there is no labor dispute, strike or work stoppage against any Seller pending or threatened in writing which may materially interfere with the Business. As of the date hereof, there is no charge or complaint against any Seller by the National Labor Relations Board or any comparable state agency pending or threatened in writing.

Section 3.16 Taxes.

(a) All material Tax Returns required to be filed by each Seller with respect to taxes attributable to the Business or the Broadcasting Assets for periods (or portions thereof) ending on or prior to the Closing Date have been or will be timely filed and all such Tax Returns are or will be complete and accurate when filed in all material respects insofar as they relate to the Business or the Broadcasting Assets. All material Taxes attributable to the Business or the Broadcasting Assets for periods (or portions thereof) ending on or prior to the Closing Date have been or will be paid by each Seller at the time such Taxes were or will be due and payable, whether or not reflected on any Tax Return, except to the extent the same are being contested in good faith.

(b) Each Seller has properly withheld, and has timely paid and deposited or will timely pay and deposit to the proper Governmental Authority when due, all Taxes required to be so withheld, deposited and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, or other third party; and all Forms W-2 and 1099 required with respect thereto have been properly completed in all material respects and timely filed.

(c) As of the date hereof, to the Knowledge of Sellers, there are no ongoing federal, state, local or foreign audits, investigations or examinations with respect to any Seller, and no written notification has been received by any Seller that any such audit or examination is pending.

(d) No Seller is a "foreign person" within the meaning of Section 1445 of the IRC.

(e) There are no Liens for Taxes upon any of the Broadcasting Assets, other than Permitted Liens.

(f) As of the date hereof, in connection with the Business or the Broadcasting Assets, to the Knowledge of Sellers, no claim has ever been made by an authority in a jurisdiction where Sellers have not filed Tax Returns that any Seller is or may be subject to taxation by that jurisdiction.

(g) No Seller has any liability for Taxes of any Person other than the Sellers, respectively, (i) under Section 1.1502-6 of the Treasury regulations (or any similar provision of state, local or foreign Law), (ii) as a transferee or successor, (iii) by Contract, or (iv) otherwise, for any taxable period for which the applicable statute of limitations is not closed.

(h) No Seller has agreed to extend the time or to waive the applicable limitations period for the assessment of any deficiency or adjustments for any taxable period (or portion thereof).

Section 3.17 Ability to Conduct Business. Taken together, the (i) Broadcasting Assets and (ii) Excluded Assets constitute all of the material tangible and intangible assets that are used to conduct the Business as of the date hereof.

Section 3.18 Material Contracts.

(a) Each Transferred Contract to which a Seller is a party is valid and binding on such Seller and is in full force and effect. To the Knowledge of Sellers, as of the date hereof, no party thereto is in breach of, or default under, any Transferred Contract.

(b) Except as set forth in Section 3.18(b)-1 of the Disclosure Schedule, as of the date of this Agreement, the Transferred Contracts listed in Section 3.18(b)-2 of the Disclosure Schedule constitute all of the following Contracts relating to the Business: (i) contracts for the sale of broadcast time for advertising after the date of this Agreement for an amount of cash in excess of \$25,000, (ii) contracts with a remaining term of more than six (6) months from December 1, 2013 and that involve payments or receipts over such remaining term of more than \$50,000 with respect to any single agreement, (iii) contracts that are barter or trade Contracts (excluding Program Rights Agreements) requiring the Stations to run more than \$50,000 of advertising after the date of this Agreement, (iv) contracts constituting a mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any of the Broadcasting Assets, (v) contracts containing noncompetition restrictions binding on the Stations or their Employees and relating to the Stations that may bind the Purchaser or its Affiliates as a result of the consummation of the transactions contemplated by this Agreement, (vi) contracts involving a joint venture or similar agreement with another party with respect to all or any part of the operations of the Stations, (vii) contracts constituting Contracts that were not entered into in the ordinary course of the Business consistent with past practice with a remaining term of more than six (6) months from December 1, 2013 and that involve payments or receipts over such remaining term of more than \$50,000 with respect to any single agreement, (viii) contracts with respect to the Stations' network affiliations, (ix) contracts for the future construction or purchase of capital improvements, purchase of materials, supplies or equipment, or for the sale of assets (other than broadcast time) that involve payments of more than \$100,000 after December 1, 2013, (x) contracts that are sales agency or advertising representation contracts which are not terminable by Sellers without penalty upon notice of thirty (30) days or less, (xi) contracts with Employees of the Business with a remaining term of more than six (6) months from December 1, 2013 and that involve payments over such remaining term of more than \$50,000 with respect to any single agreement, (xii) contracts that are Program Rights Agreements with a remaining term of more than six (6) months from December 1, 2013 and that involve payments over such remaining term of more than \$50,000 with respect to any single agreement, (xiii) contracts for the lease of real or personal property with a remaining term of more than six (6) months from December 1, 2013 and that involve payments over such remaining term of more than \$50,000 with respect to any single agreement, (xiv) retransmission consent agreements with any multichannel video programming distributor with more than 2,500 subscribers ("MVPD") or (xv) contracts that are not listed in clauses (i) through (xiv) and that involve payments or receipts over such remaining term of more than \$50,000 with respect to any single agreement.

(c) As of the Closing Date, Sellers shall have paid all amounts due under the Program Rights Agreements in accordance with their terms and such payments are up to date.

Section 3.19 Brokers. Except for Kalil & Co, Inc., no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the

transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Sellers. Sellers are solely responsible for the fees and expenses of Kalil & Co, Inc.

Section 3.20 MVPD Carriage. Section 3.20 of the Disclosure Schedule lists each MVPD operating within the "Designated Market Area" (as defined by The Nielsen Company) of any of the Stations carrying the signal of a Station as of the date hereof, all of which are carried pursuant to retransmission consent agreements. As of the date hereof, to the Knowledge of Sellers, there are no pending complaints regarding the quality of a Station's signal being delivered to any MVPD. Sellers have made valid must carry or retransmission consent elections for MVPDs for the current three-year election cycle.

Section 3.21 Environmental.

(a) The Stations are in material compliance with all applicable Environmental Laws (which compliance includes the possession by the Stations of all permits and other governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof).

(b) There is no material Environmental Claim pending or, to the Knowledge of Sellers, threatened against the Stations.

(c) There are no actions, activities, circumstances, facts, conditions, events or incidents, including the presence of any Hazardous Material in violation of any applicable Environmental Laws that would be reasonably likely to form the basis of any material Environmental Claim against the Stations.

(d) Sellers have delivered or otherwise made available for inspection to the Purchaser true, complete and correct copies and results of any reports, data, investigations, audits, assessments (including Phase I environmental site assessments and Phase II environmental site assessments) studies, analyses, tests or monitoring in the possession of or reasonably available to Sellers pertaining to: (i) any unresolved Environmental Claims; (ii) any Hazardous Materials in, on, beneath or adjacent to any property owned, operated or leased by the Stations, or (iii) the Stations' compliance with applicable Environmental Laws.

(e) Within thirty (30) days after execution of this Agreement, Purchaser shall have the right to conduct a review or audit of the Real Property and take soil and water samples (including groundwater samples) from the Real Property, and to test and analyze those samples to determine the extent of any contamination of the soils and water (including groundwater) on or about the Real Property. Purchaser shall hold Sellers harmless from all damage caused by Purchaser or its authorized representatives in connection with any of the foregoing. If, based on the results of those inspections and/or tests, Purchaser determines that the condition of any of the Real Property is unsatisfactory or if Purchaser believes that its ownership of any of the Real Property would expose Purchaser to undue risks of government intervention or third-party liability, Purchaser may, without any liability owing to Sellers, terminate this Agreement. Except to the extent required by applicable Laws, Purchaser agrees that neither it nor its authorized representatives will provide any analytical data, assessments, results, reports,

notifications or any other information related to the Real Property to any third party or Governmental Authority in connection with any of the foregoing

(f) For the purposes of this Section,

(i) "Environmental Claim" means any Action by any Person alleging Liability (including Liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, attorneys' fees, fines or penalties) arising out of, based on, resulting from or relating to (a) the presence, Release of, or exposure to any Hazardous Materials; (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law; or (c) any other matters covered or regulated by, or for which liability is imposed under, Environmental Laws.

(ii) "Environmental Laws" means all Laws relating to pollution, the protection, restoration or remediation of or prevention of harm to the environment, natural resources or historical resources, or the protection of human health and safety, including Part 1, Subpart I of the FCC's Rules, 47 C.F.R. § 1.1301 *et seq.* and Laws relating to: (i) the presence, exposure to, or Releases or threatened Releases of, Hazardous Materials; (ii) the generation, manufacture, processing, distribution, use, treatment, containment, disposal, storage, transport or handling of Hazardous Materials; or (iii) recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials.

(iii) "Hazardous Materials" means any material, substance, chemical, or waste (or combination thereof) that (i) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, petroleum, oil, or words of similar meaning or effect under any Law relating to pollution, waste, or the environment; or (ii) can form the basis of any Liability under any Environmental Law.

(iv) "Release" means any release, spill, emission, discharge, leaking, pouring, dumping or emptying, pumping, injection, deposit, disposal, dispersal, leaching or migration into the indoor or outdoor environment (including, without limitation, soil, ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or real property.

Section 3.22 Privacy. Sellers have at all times complied in all material respects with all applicable Laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by or on behalf of Sellers. To the Knowledge of Sellers, no claims have been asserted or threatened in writing against any Seller alleging a material violation of any Person's privacy or personal information or data rights that could have a Material Adverse Effect and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any Law related to privacy, data protection, or the collection and use of personal information collected, used, or held for use by or on behalf of Sellers that could have a Material Adverse Effect. Sellers have taken commercially reasonable

measures to ensure that such information is protected against unauthorized access, use or modification.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers as follows:

Section 4.01 Incorporation and Authority of Purchaser. Purchaser is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Washington and has all necessary corporate power and authority to enter into this Agreement and each Ancillary Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will be, duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by Sellers) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will constitute, the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.02 No Conflict. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Purchaser do not and will not (a) violate or conflict with the Certificate of Incorporation or By-laws of Purchaser or any Affiliate of Purchaser, (b) conflict with or violate any Law or Governmental Order applicable to Purchaser or any Affiliate of Purchaser or (c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Purchaser or any of its Affiliates pursuant to, any Contract to which Purchaser or any of its Affiliates is a party or by which any of such assets or properties is subject, except in the case of clauses (b) and (c) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not, individually or in the aggregate, delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements.

Section 4.03 Consents and Approvals. The execution and delivery of this Agreement and the Ancillary Agreements by Purchaser do not, and the performance of this Agreement and the Ancillary Agreements by Purchaser will not, require any consent, approval, authorization or other action by, or filing with or notification to, any Governmental Authority or Person other than the FCC, where failure to obtain any such consent, approval, authorization or action, or to

make any such filing or notification, would not, individually or in the aggregate, delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements, or as may be necessary as a result of any facts or circumstances relating solely to Sellers or their Affiliates.

Section 4.04 Absence of Litigation. There are no actions pending against Purchaser or any of its Affiliates or any of the assets or properties of Purchaser or any of its Affiliates that, individually or in the aggregate, would prevent or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

Section 4.05 Qualifications of Purchaser.

(a) Purchaser is legally, financially and otherwise qualified to be the assignee of the FCC Licenses pursuant to a routine grant of the FCC Consents, and no waivers from the FCC are necessary for the consummation of the transactions contemplated hereby or the grant of the FCC Consents. There are no matters related to Purchaser or any Affiliate of Purchaser which might reasonably be expected to result in the FCC's delay of approval of the Assignment Applications or denial of the FCC Consents.

(b) To the knowledge of Purchaser, Purchaser or any Affiliate of Purchaser shall not be required to sell, dispose of or surrender any FCC license held by Purchaser or any such Person with respect to any broadcast properties, or any other properties or businesses of Purchaser or such other Person, as may be required under the Communications Act or other Applicable Law in order to consummate the sale and purchase of the Broadcasting Assets contemplated by this Agreement.

(c) As of the date hereof, Purchaser has, and on the Closing Date Purchaser shall have, cash available that is sufficient to enable it to pay the Purchase Price and to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) No broker, finder or investment banker acting on behalf of the Purchaser is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Purchaser.

(e) Purchaser acknowledges that, with respect to any projections, forecasts, future business plans, future budget information and similar documentation or information relating to Sellers and the Business that Purchaser has received from Sellers or any of their Affiliates, (a) there are uncertainties inherent in attempting to make such projections, forecasts, plans and future budgets, (b) Purchaser is familiar with such uncertainties, (c) Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and future budgets so furnished to it, and (d) Purchaser does not have, and will not assert, any claim against Sellers or any of their directors, officers, Employees, Affiliates or representatives, or hold Sellers or any such Persons liable, with respect thereto. Notwithstanding anything herein to the contrary, nothing in this Section 4.06 will in any

way limit Purchaser's rights (including under Section 8.01) with respect to representations and warranties of Sellers explicitly included herein.

## ARTICLE V

### ADDITIONAL AGREEMENTS

#### Section 5.01 Conduct of Business Prior to the Closing.

(a) Unless Purchaser otherwise agrees in writing and except as otherwise set forth herein or in the Disclosure Schedule, between the date of this Agreement and the Closing Date except as contemplated by Section 5.01(b), Sellers will (i) conduct the Business in the ordinary course consistent with past practices, (ii) use commercially reasonable efforts to preserve the business organization of the Business intact and preserve the goodwill of the Business and Sellers' relationships with the customers and suppliers of the Business and others with significant and recurring business dealings with the Stations, (iii) use commercially reasonable efforts to maintain all existing insurance policies for the Broadcasting Assets or other substantially similar coverage and (iv) continue to promote the Stations consistent with past practices.

(b) Except as expressly provided in this Agreement or the Disclosure Schedule, between the date of this Agreement and the Closing Date, Sellers will not do any of the following without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(i) sell, assign, lease or otherwise transfer or dispose of any FCC License or any other material Broadcasting Assets (other than with respect to or pursuant to Program Rights Agreements in the ordinary course of business or as permitted pursuant to Section 5.01(b)(v));

(ii) create, assume or permit to exist (if not permitting such Lien to exist is within Sellers' Control) any Lien (other than Permitted Liens) affecting any of the material Broadcasting Assets;

(iii) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or any equity interest therein which would, or whose assets and/or Liabilities would, be included in the Broadcasting Assets or Assumed Liabilities;

(iv) other than capital expenditures set forth in Section 5.01(b)(iv) of the Disclosure Schedule, authorize any new capital expenditure or expenditures affecting any of the Broadcasting Assets which, individually, is in excess of ten thousand dollars (\$10,000.00) or, in the aggregate, are in excess of thirty thousand dollars (\$30,000.00) that would result in any Assumed Liability;

(v) with respect to the period from the date of this Agreement until November 30, 2013, amend or terminate any Program Rights Agreement or enter into any new Program Rights Agreement which require additional payments (together with all



additional payments under such amendments or new Program Rights Agreements) that in the aggregate would exceed fifty thousand dollars (\$50,000.00), which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing;

(vi) with respect to the period from the date of this Agreement until November 30, 2013, other than as set forth in Section 5.01(b)(vi) of the Disclosure Schedule, amend or terminate any Contract or series of related Contracts (excluding any Program Rights Agreements) or enter into any new Contract or series of related Contracts (excluding any Program Rights Agreements), in any instance involving payments in excess of \$50,000 with respect to any individual Contract (excluding any Program Rights Agreement) or in excess of \$100,000 with respect to all such Contracts or series of related Contracts (excluding any Program Rights Agreements) (other than amendments to such Contracts or series of related Contracts which do not result in increases in payments by the Business in excess of \$50,000 with respect to any individual Contract (excluding any Program Rights Agreement) or in excess of \$100,000 with respect to all such Contracts or series of related Contracts (excluding any Program Rights Agreements)), which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing;

(vii) other than as set forth in Section 5.01(b)(vii) of the Disclosure Schedule enter into barter or trade Contracts (excluding any Program Rights Agreements) requiring the Stations to run advertising with a fair market value in excess of \$30,000 in the aggregate;

(viii) other than as set forth in Section 5.01(b)(viii) of the Disclosure Schedule, (A) adopt any new employee benefit plan, or amend any existing Plan covering any of the Affected Employees to increase benefits thereunder, except for new employee benefit plans or amendments to existing Plans covering Affected Employees and covering employees of Affiliates of Sellers or as may be required by applicable Law, or (B) increase any compensation or enter into or amend any employment, severance, termination or similar agreement with any of the Affected Employees, except for normal increases in the ordinary course of business or as required by agreements as in effect on the date hereof or by Law;

(ix) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the material obligations of any other Person which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing, except in the ordinary course of business;

(x) cause or permit, by any act or failure to act, any of the FCC Licenses or other permits of Sellers relating to the Stations to expire (other than as set forth in Section 1.01(a) of the Disclosure Schedule) or to be revoked, suspended or modified, or take, or fail to take, any action that would be reasonably likely to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses or other permits of Sellers relating to the Stations; or

(xi) authorize or enter into an agreement to do any of the foregoing.

(c) If Closing does not occur before December 1, 2013, the parties shall confer with regard to changes to the monetary thresholds in Section 5.01(b).

(d) Prior to Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Stations; and such operations, including complete control and supervision of all of the Stations' programs, Employees, and finances, shall be the sole responsibility of Sellers until the Closing.

(e) Sellers will deliver to Purchaser, promptly after filing, copies of any reports, applications or communications with the FCC related to the Stations which are filed between the date of this Agreement and the Closing Date. Sellers will use commercially reasonable efforts to maintain carriage by the MVPDs operating within each Station's "Designated Market Area" (as defined by The Nielsen Company) that are currently carrying such Station's signals in the ordinary course of business.

Section 5.02 Access to Information. Subject to applicable Law:

(a) From the date hereof until the Closing (upon reasonable notice to and approval of Sellers, which approval shall not be unreasonably withheld, conditioned or delayed), during normal business hours, Sellers shall, and shall cause their respective officers, directors, Employees, auditors and agents to, (i) afford the officers, employees and authorized agents and representatives of Purchaser reasonable access to the offices, properties, books and records of Sellers to the extent related to the Business, and (ii) furnish to the officers, employees and authorized agents and representatives of Purchaser such additional financial and operating data and other information regarding the assets, properties and goodwill of the Business as Purchaser may from time to time reasonably request in order to assist Purchaser in fulfilling its obligations under this Agreement and to facilitate the consummation of the transfer contemplated hereby; provided, however, that such investigation shall not unreasonably interfere with any of the businesses or operations of any Seller or any Affiliate of a Seller.

(b) Sellers shall have the right to create, at Sellers' expense, and to retain copies of all books and records of Sellers relating to the Business which relate to periods ending on or prior to the Closing Date. For a period of three years after the Closing, Purchaser shall (i) retain the books and records of Sellers relating to the Business which relate to periods ending on or prior to the Closing Date in a manner reasonably consistent with the prior practice of Seller, and (ii) upon reasonable notice, afford the officers, employees and authorized agents and representatives of Sellers reasonable access (including the right to make, at Sellers' expense, photocopies), during normal business hours, to such books and records.

(c) Each party agrees that it will cooperate with and make available to the other party, during normal business hours, all books and records, information and employees (without substantial disruption of employment) retained and remaining in existence after the Closing Date that are necessary or useful in connection with any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose similar to the foregoing. The party requesting any such books and records,

information or employees shall bear all of the out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for salaries and employee benefits) reasonably incurred in connection with providing such books and records, information or employees.

(d) Within thirty (30) days after the end of each monthly accounting period that occurs after the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Closing Date, Sellers will furnish Purchaser with a copy of the monthly unaudited income statement for the Business for each such month in the form prepared by Sellers prior to the date of this Agreement.

Section 5.03 Confidentiality. The terms of the letter agreement dated October 12, 2012 (the "Confidentiality Agreement") between Sellers and Purchaser are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time such Confidentiality Agreement and the obligations of Purchaser under this Section 5.03 shall terminate; provided, however, that the Confidentiality Agreement shall terminate only in respect of Confidential Information (as defined in the Confidentiality Agreement) exclusively relating to the transactions contemplated by this Agreement, and the Business. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect.

Section 5.04 Regulatory and Other Authorizations; Consents.

(a) Sellers and Purchaser shall use commercially reasonable efforts to jointly cause Sellers' FCC counsel to file on the first Business Day after the execution of this Agreement applications with the FCC (the "Assignment Applications") requesting its consent to the assignment of the FCC Licenses from the applicable Seller to Purchaser (the "FCC Consents"). Each party shall pay its own expenses in connection with the preparation and prosecution of the Assignment Applications and shall share the filing fees associated with the Assignment Applications equally. To the extent necessary to expedite grant of the Assignment Applications, Sellers shall negotiate and enter into tolling agreements with the FCC to extend the statute of limitations applicable to any pending complaints alleging that the Stations aired programming containing obscene, indecent or profane material (each, a "Tolling Agreement"). Sellers and Purchaser shall consult in good faith with each other prior to entering into any such Tolling Agreement. If Closing occurs before December 2, 2013, Purchaser shall be responsible for filing applications for the renewal of FCC Licenses. If Closing occurs on or after December 2, 2013, Sellers shall file renewal applications.

(b) Upon the terms and subject to the conditions set forth in this Agreement, Sellers and Purchaser shall each use their respective commercially reasonable efforts to promptly:

(i) take, or to cause to be taken, all actions, and to do, or to cause to be done, and to assist and cooperate with the other parties in doing all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements;

(ii) obtain from any Governmental Authority or third parties any actions, non-actions, clearances, waivers, consents, approvals, authorizations, permits or orders required to be obtained by Sellers, Purchaser or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby and the assignment of the FCC Licenses from the applicable Seller to Purchaser;

(iii) furnish all information required for any application or other filing to be made pursuant to any applicable Law or any applicable regulations of any Governmental Authority in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, including filings in connection with the Assignment Applications, and to supply promptly any additional information and documentary material that may be requested in connection with such filings or applications;

(iv) oppose the entry of, or seek to have vacated or terminated, any decree, order, or judgment that would restrain, prevent or delay the Closing or the FCC Consents, including defending against and opposing any lawsuits or other proceedings (including any FCC reconsideration or review), whether judicial or administrative, reviewing or challenging this Agreement or the Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby or the assignment of the FCC Licenses from the applicable Seller to Purchaser; provided, however, that neither party shall act in accordance with this Section 5.04(b)(iv) if such party determines in good faith (a "Determination") that acting in accordance with this Section 5.04(b)(iv) would not be commercially reasonable; provided further, however that neither party shall institute a judicial declaratory judgment proceeding seeking a ruling that this Agreement, any Ancillary Agreement or any transaction contemplated hereby or thereby is lawful without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Each party shall use commercially reasonable efforts to consult with the other party before making any such Determination and shall promptly give such other party written notice of a party's making of any such Determination;

(v) notify the other party of any notice or communications from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(vi) execute and deliver any additional instruments necessary to assign the FCC Licenses from the applicable Seller to Purchaser (including a Tolling Agreement in accordance with Section 5.04(a)) or to consummate any other transactions contemplated by this Agreement and the Ancillary Agreements.

(c) No party to this Agreement shall consent to any voluntary delay of the assignment of the FCC Licenses from the applicable Seller to Purchaser or the consummation of the other transactions contemplated hereby at the behest of any Governmental Authority or third party without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Agreement,

Purchaser shall not be required to waive any substantial rights or accept any substantial limitation on its operations, in each case, in respect of any assets or businesses owned by Purchaser or any of its Affiliates as of the date of this Agreement (the "Existing Purchaser Assets") or to sell, divest itself of, license or dispose of any Existing Purchaser Assets.

(d) Notwithstanding anything in this Agreement to the contrary, the terms of Section 5.04(b) and (c), as they apply to interaction with the FCC, shall survive the Closing until the FCC Consents become Final Orders. No assignment of the FCC Licenses shall occur prior to obtaining the FCC Consents.

(e) Purchaser shall not, and shall cause its Affiliates not to, engage in any other transaction or activity, including any acquisition (by merger, consolidation or acquisition of stock or assets) of any corporation, partnership or other business organization or division thereof or any equity interest therein, that would cause its representation and warranty in Section 4.05 to become untrue or that would result in a delay in obtaining, or in a failure to obtain, as soon as reasonably possible (and in any event, no later than one (1) year from the execution of the Agreement) any consent, approval or other authorization of any Governmental Authority or other Person required pursuant to any Law or otherwise in connection with the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

#### Section 5.05 Employee Matters.

(a) Within twenty-five (25) days after the date of this Agreement, Purchaser shall prepare and deliver to Sellers a schedule (the "Employee Schedule") listing the Employees to whom Purchaser intends to offer employment (the "Listed Employees"); provided, however, that the Employee Schedule may be updated by Purchaser at any time prior to the Closing Date. Prior to the Closing, Purchaser shall offer to employ each Listed Employee effective as of the time of Closing. As a condition to Purchaser's offer of employment, a listed Employee shall be required to resign from employment with Sellers effective as of the time of Closing. At the time of Closing, the employment of each Employee with any Seller or any Affiliate of a Seller shall terminate and the employment with Purchaser of each Employee who has accepted Purchaser's offer of employment (each such Employee, an "Affected Employee") shall commence. Sellers agree that they will not, directly or indirectly, solicit for employment any Affected Employee during the period ending one (1) year from the Closing Date. Purchaser agrees that it will not, directly or indirectly, solicit for employment any Employee who is not an Affected Employee during the period ending one (1) year from the Closing Date unless, prior to such solicitation or employment, Purchaser reimburses Sellers for the costs and expenses incurred by Sellers in connection with the termination of such Employee by Sellers in connection with the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing, it shall not be a breach of the provisions of this Section 5.05(a) if Purchaser or Sellers employ Employees who respond to general solicitations of employment to the public in the normal course of business.

(b) As of the time of Closing, Affected Employees shall cease to participate in the Plans (other than any employment, termination and severance agreements) and shall commence participation or shall become eligible to participate in the employee benefit plans of Purchaser or an Affiliate of Purchaser ("Purchaser Employee Plans").

(c) Purchaser or its appropriate Affiliate shall give each Affected Employee full credit for purposes of eligibility and vesting, but not determination of the level of benefits under each Purchaser Employee Plan for such Affected Employee's service with a Seller or any of its Affiliates to the same extent recognized by such Seller or such Affiliate immediately prior to the Closing. Purchaser shall permit Affected Employees to carry over and take accrued, but unused, vacation days with pay in accordance with the policies of the applicable Seller as in effect as of the Closing Date, but only to the extent Purchaser has received a credit pursuant to Section 2.07 for such accrued but unused vacation days.

(d) Purchaser or the appropriate Affiliate shall, (i) waive all limitations as to preexisting conditions exclusions and waiting periods with respect to participation and coverage requirements applicable to each Affected Employee under any Purchaser Employee Plan that provides medical or dental benefits, other than limitations or waiting periods that are already in effect with respect to such Affected Employee and that have not been satisfied as of the Closing under any Plan maintained for the Affected Employee immediately prior to the Closing and (ii) provide each Affected Employee with credit for any co-payments and deductibles paid prior to the Closing in satisfying any applicable deductible or out-of-pocket requirements under any Purchaser Employee Plan.

(e) Effective as of the Closing all Affected Employees shall cease participation in Sellers' Employee Savings Plan ("Sellers' 401(k) Plan"). As soon as practicable following the Closing, Purchaser shall designate, or establish, a savings plan, qualified under Sections 401(a) and 401(k) of the IRC, and a trust thereunder that is exempt from tax under Section 501(a) of the IRC ("Purchaser's 401(k) Plan"), and shall allow all Affected Employees previously eligible to participate in Sellers' 401(k) Plan to participate in Purchaser's 401(k) Plan. To the extent requested by an Affected Employee and subject to the satisfaction of all applicable legal requirements, for a specified period of time after Closing determined by Purchaser, Sellers and Purchaser shall permit a rollover, pursuant to IRC Section 402(c), to Purchaser's 401(k) Plan, including any outstanding plan participant loan receivables allocated to such accounts.

(f) To the extent that Purchaser does not hire substantially all of the Employees and Sellers have liability under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. ("WARN Act"), Purchaser agree to indemnify Sellers and hold Sellers harmless from any and all losses, fines, damages, Liabilities and claims (including attorneys' fees) under the WARN Act caused solely by Purchaser's hiring decisions.

#### Section 5.06 Tax Matters.

(a) Sellers shall pay all sales, use, transfer gains, transfer, conveyance, filing, recording, ad valorem and other similar Taxes which may be payable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Purchaser shall prepare and file, or cause to be prepared and filed, all Tax Returns and other documentation required with respect to such Taxes and, if required by applicable Law, Sellers shall join in the execution of any such Tax Returns and other documentation as reasonably requested by Purchaser.

(b) All state and local real and personal property Taxes and assessments ("Property Taxes") imposed by any Governmental Authority with respect to the Broadcasting Assets that are due and payable with respect to a taxable period beginning on or before the Cutoff Time and ending after the Cutoff Time (a "Straddle Period") (taking into account whether such Property Taxes are payable in advance or in arrears) shall be apportioned between Sellers and Purchaser based on the number of days beginning with the first day of the Straddle Period through and including the day before the Closing Date (the "Pre-Closing Period"), and the number of days beginning with the Closing Date through the last day of the Straddle Period (the "Post-Closing Period"). In performing such apportionment, all Property Taxes shall be prorated on the assumption that an equal amount of Property Tax applies to each day of the Straddle Period, regardless of how installment payments are billed or made. Sellers shall be liable for all Property Taxes apportioned to the Pre-Closing Period. Purchaser shall be liable for all Property Taxes apportioned to the Post-Closing Period. After the Closing, Purchaser will provide Sellers with a copy of any final Property Tax bill covering a Straddle Period.

#### Section 5.07 Assignment of Contracts, Leases, Approvals, Etc.

(a) Sellers shall use commercially reasonable efforts to obtain the Material Consents prior to the Closing. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contract or permit or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or be ineffective with respect to any party thereto.

(b) With respect to any Contract or permit and any claim, right or benefit arising thereunder or resulting therefrom which would otherwise be included as a Broadcasting Asset, following the Closing, Sellers and Purchaser will use reasonable good faith efforts to transfer the economic benefit and any corresponding Liabilities under such Contract and to obtain, or cause to be obtained, as expeditiously as possible the written consent of the other parties to such Contract or permit for the assignment or, if required, novation thereof to Purchaser or, alternatively, written confirmation from such parties reasonably satisfactory in form and substance to Purchaser and Sellers that such consent is not required.

(c) Except as provided in Section 6.02(f) and subject to Section 5.07(d), the failure by Purchaser or Sellers to obtain any required consent, waiver, confirmation, novation or approval with respect to any Contract or permit shall not relieve any party from its obligation to consummate the transactions contemplated by this Agreement.

(d) If any consent (other than the FCC Consents), waiver, confirmation, novation or approval is not obtained with respect to any Contract or permit, then Sellers and Purchaser will cooperate to establish an agency type or other similar arrangement reasonably satisfactory to Purchaser and Sellers under which Purchaser would obtain, to the extent practicable, the claims, rights and benefits and assume the corresponding Liabilities thereunder in accordance with this Agreement (including by means of any subcontracting, sublicensing or subleasing arrangement) or under which Sellers would enforce for the benefit of Purchaser, with Purchaser assuming and agreeing to pay Sellers' obligations and expenses, any and all claims, rights and benefits of Sellers against a third party to any such Contract or permit. In such event

(i) the applicable Seller will promptly pay to Purchaser when received all moneys relating to the period on or after the Closing Date received by it under any Contract or any claim, right or benefit arising thereunder not transferred pursuant to this Section 5.07 and (ii) Purchaser will promptly pay, perform or discharge when due any Liability arising thereunder on or after the Closing Date but not transferred to Purchaser pursuant to this Section 5.07.

Section 5.08 Public Announcements. Sellers and Purchaser shall consult with each other and will mutually agree upon any press release or public announcement pertaining to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public announcement prior to such consultation and agreement, except as may be required by applicable Law, the FCC, any other Governmental Authority, in which case the party proposing to issue such press release or make such public announcement shall consult in good faith with the other party before issuing any such press release or making any such public announcement.

Section 5.09 Further Action. For a period of twelve (12) months from and after the Closing Date, each of the parties hereto shall execute and deliver such documents and other papers and take such further actions as may be reasonably required to carry out the provisions of this Agreement and the Ancillary Agreements and give effect to the transactions contemplated hereby and thereby.

Section 5.10 Right to Set-off. Purchaser and its Affiliates shall not be entitled to set-off against any amounts to be paid by it to Sellers pursuant to this Agreement any amounts owing to Purchaser or any of its Affiliates by Sellers. Likewise, each Seller and its Affiliates shall not be entitled to set-off against any amounts to be paid by it to Purchaser pursuant to this Agreement any amounts owing to such Seller or any of its Affiliates by Purchaser.

Section 5.11 [Reserved]

Section 5.12 Certain Notices.

(a) Sellers shall promptly notify the Purchaser of any material damage to any of the Broadcasting Assets.

(b) Notwithstanding that the Disclosure Schedule is not relevant to the determinations of the FCC, it is a factor in the Purchaser's agreement to the Purchase Price. Accordingly, Sellers shall promptly notify Purchaser of any change, correction, or addition to the Disclosure Schedule. If Purchaser reasonably determines that a modification or late addition to the Disclosure Schedule has a Material Adverse Effect upon its evaluation of the Purchase Price, Purchaser may request an amendment to Section 2.03 of this Agreement and if Sellers and Purchaser cannot reach an agreement on an amendment, Purchaser may terminate this Agreement without owing any liability to Sellers and Purchaser shall be entitled to the return of the Escrow Deposit and any interest.

(c) Each party shall promptly notify the other upon becoming aware of any Governmental Order or any Action requesting a Governmental Order restraining or enjoining the consummation of the transactions contemplated by this Agreement, or upon receiving any written notice from any Governmental Authority of its intention to institute an investigation into



or an Action to restrain or enjoin the consummation of the transactions contemplated by this Agreement or to nullify or render this Agreement ineffective.

(d) Sellers shall promptly notify Purchaser of any event or condition that is reasonably likely to have a Material Adverse Effect.

## ARTICLE VI

### CONDITIONS TO CLOSING

Section 6.01 Conditions to Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to "materiality" or "material adverse effect" set forth therein), individually or in the aggregate, would not materially delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements, and Sellers shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with by Purchaser on or before the Closing shall have been complied with in all material respects, and Sellers shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(c) FCC Consents. The FCC Consents shall have been granted.

(d) Absence of Orders and Actions. There shall be no Governmental Order in existence, and no Action pending that was instituted by the United States Department of Justice, the Attorney General of Montana, or the FCC that may reasonably be expected to result in a Governmental Order, which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(e) Resolutions. Sellers shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of Purchaser, of the resolutions duly and validly adopted by the Board of Directors of Purchaser evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Section 6.02 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Sellers contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein), individually or in the aggregate, would not have a Material Adverse Effect, and Purchaser shall have received a certificate from Sellers to such effect signed by a duly authorized officer thereof.

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with by Sellers on or before the Closing shall have been complied with in all material respects, and Purchaser shall have received a certificate from Sellers to such effect signed by a duly authorized officer thereof.

(c) FCC Consents. The FCC Consents shall have been granted without any conditions adverse to Purchaser.

(d) Absence of Orders and Actions. There shall be no Governmental Order in existence, and no Action pending that was instituted by the United States Department of Justice, the Attorney General of Montana, or the FCC that may reasonably be expected to result in a Governmental Order, which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(e) Resolutions. Purchaser shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of the applicable Seller, of the resolutions duly and validly adopted by the managers or managing member of each Seller evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. Purchaser shall have received a Manager's Certificate with accompanying resolutions of the managers consenting to the consummation of the transactions contemplated by this Agreement from both Max Media LLC and LMM Holdings, LLC.

(f) Third-party Consents. Each of the consents, approvals and authorization of the Persons listed in Section 6.02(f) of the Disclosure Schedule (the "Material Consents") shall have been obtained in form reasonably satisfactory to Purchaser.

(g) All Liens, other than Permitted Liens, and all security interests shall have been removed from the Broadcasting Assets.

(h) Delivery of Instruments. Seller that is the owner of such Real Property shall have delivered to Purchaser or Purchaser's agent duly executed (i) special warranty deeds for all owned Real Property in the form appropriate to the jurisdictions on which the Real Property is located, transferring ownership to the Purchaser; (ii) assignments of all leased Real Property, properly executed by the appropriate Seller and lessor; (iii) certificates of title with respect to all vehicles listed in Section 2.01(a)(iii) of the Disclosure Schedule properly completed for assignment to Purchaser, or if a vehicle is leased, an assignment of the lease to Purchaser;

(iv) any other instrument of transfer that may be reasonably necessary to convey the Broadcasting Assets to the Purchaser.

## ARTICLE VII

### TERMINATION, AMENDMENT AND WAIVER

Section 7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Sellers and Purchaser;
- (b) by Sellers, if Purchaser (i) breaches or fails in any material respect to perform or comply with any of its material covenants or agreements contained herein, or (ii) breaches its representations or warranties in any material respect and such breach would materially delay or prevent the consummation of the transactions contemplated hereby, in each case such that the condition set forth in Section 6.01(a) or Section 6.01(b) would not be satisfied (a "Terminating Purchaser Breach"); provided that, if such Terminating Purchaser Breach is curable by Purchaser through the exercise of its best efforts, and Purchaser continues to exercise such best efforts, Sellers may not terminate this Agreement under this Section 7.01(b);
- (c) by Purchaser, if Sellers (i) breach or fail in any material respect to perform or comply with any of their material covenants or agreements contained herein, or (ii) breaches their representations or warranties in any material respect and such breach would have a Material Adverse Effect, in each case such that the condition set forth in Section 6.02(a) or Section 6.02(b) would not be satisfied (a "Terminating Sellers Breach"); provided that, if such Terminating Sellers Breach is curable by Sellers through the exercise of their best efforts, and Sellers continue to exercise such best efforts, Purchaser may not terminate this Agreement under this Section 7.01(c);
- (d) by Purchaser, pursuant to the environmental contamination provisions of Section 3.19(e), the post-execution investigation provisions of Section 5.11 or the Disclosure Schedule provisions of Section 5.12(b).
- (e) by Sellers or Purchaser, if the Closing shall not have occurred before December 1, 2013; provided, however, that the right to terminate this Agreement under this Section 7.01(e) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date;
- (f) by Sellers or Purchaser, in the event of the issuance of a Governmental Order (which Sellers and Purchasers have used commercially reasonable efforts to oppose) restraining, enjoining or otherwise prohibiting the transactions contemplated herein and such Governmental Order having been made final and non-appealable;
- (g) by Sellers or Purchaser, if the FCC has denied the Assignment Applications and such denial has become a Final Order;

(h) by Purchaser, if Sellers have made Determination pursuant to Section 5.04(b)(iv); or

(i) by Sellers, if Purchaser has made a Determination pursuant to Section 5.04(b)(iv).

Section 7.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 7.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto, except for Confidentiality terms as set forth in Sections 5.03 and the payment of expenses set forth in Section 8.02; provided, however, that nothing herein shall relieve either Sellers or Purchaser from liability for (a) failure to perform the obligations set forth in Section 5.04, or (b) any willful breach of this Agreement or willful failure to perform hereunder, and provided further, that if Seller terminates this Agreement pursuant to Section 7.01(e), and if, within twelve (12) months following such termination, Sellers sell, assign, transfer, or convey the Broadcasting Assets to any party other than Purchaser or an Affiliate of Sellers, then Sellers shall pay for Purchaser's expenses in the amount of two hundred fifty thousand dollars (\$250,000).

Section 7.03 Waiver. At any time prior to the Closing, any party may (a) extend the time for the performance of any of the obligations or other acts of any other party hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. The waiver by any party hereto of a breach of any term or provision of the Agreement shall not be construed as a waiver of any subsequent breach.

## ARTICLE VIII

### GENERAL PROVISIONS

#### Section 8.01 Survival; Indemnification.

(a) Survival. The representations and warranties of Sellers and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing for a period of one (1) year. The covenants and agreements of Sellers and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing for a period of one (1) year after the Closing, except to the extent such covenants and agreements by their terms contemplate or may involve actions to be taken or obligations in effect after the Closing which covenants and agreements shall survive in accordance with their terms.

(b) Indemnification by Sellers. From and after the Closing, Sellers hereby agree to indemnify, defend and hold harmless, Purchaser and Purchaser's officers, directors, employees and Affiliates (the "Purchaser Indemnified Parties") from and against all Losses actually incurred by any Purchaser Indemnified Party by reason of or resulting from: (i) any failure by Sellers to pay, perform or discharge any Excluded Liabilities; (ii) any breach of the representations and warranties of Sellers contained in or made pursuant to this Agreement or any

Ancillary Agreement (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein); or (iii) any breach by Sellers of any covenant or agreement of Sellers contained in or made pursuant to this Agreement or any Ancillary Agreement.

(c) Indemnification by Purchaser. From and after the Closing, Purchaser hereby agrees to indemnify, defend and hold harmless each Seller and their respective officers, directors, employees and Affiliates (the "Seller Indemnified Parties") from and against all Losses actually incurred by any Seller Indemnified Party by reason of or resulting from: (i) any failure by Purchaser to pay, perform or discharge any Assumed Liabilities, including all Liabilities arising on or after, and relating to the period from and after, the Closing Date arising out of or relating to the ownership or operation of the Broadcasting Assets or the Business; (ii) any breach of the representations and warranties of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement (without giving effect to any limitation as to "materiality" set forth therein); or (iii) any breach by Purchaser of any covenant or agreement of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement.

(d) No Indirect or Consequential Damages. Notwithstanding any other provision in the Agreement, as to any claims by an Indemnified Party, Losses in respect of which a party may be indemnified, defended or held harmless under this Section 8.01 (an "Indemnifiable Loss") shall not include, and no party shall be entitled to be indemnified or to make any claim for, any punitive, special, indirect, consequential or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of earnings damages.

(e) Limitations on Indemnification; Losses. (i) Sellers shall not be liable to Purchaser Indemnified Parties in respect of any indemnification hereunder pursuant to Section 8.01(b)(ii) or 8.01(b)(iii) except to the extent that the aggregate amount (without duplication) of Indemnifiable Losses of the Purchaser Indemnified Parties exceeds \$100,000 (the "Basket Amount"), after which Sellers shall be liable only for those Indemnifiable Losses in excess of the Basket Amount; (ii) no Losses shall be claimed under Section 8.01(b)(ii) or 8.01(b)(iii) by a Purchaser Indemnified Party other than Indemnifiable Losses individually in excess of \$10,000 (the "Minimum Claim Amount");, provided that such Indemnifiable Losses shall be applied against the Basket Amount; (iii) the maximum liability of Sellers for indemnification pursuant to Section 8.01(b)(ii) and 8.01(b)(iii) shall be \$800,000; and (iv) Sellers shall not have any liability for any breach of a representation or warranty contained in this Agreement if the facts giving rise to such breach were set forth in any section of the Disclosure Schedule as of the Closing Date, and no Losses related thereto shall be aggregated for purposes of this Section 8.01(e).

(f) Adjustment for Insurance. The amount that any Person (an "Indemnifying Party") is required to pay to, for or on behalf of any Person (an "Indemnified Party") pursuant to this Section 8.01 shall be adjusted (including retroactively) by any insurance proceeds, or indemnity, contribution or similar payment, actually received by any Indemnified Party in reduction of the related Indemnifiable Loss after reduction for any costs or expenses incurred in connection with collecting such proceeds or payments (which the Indemnified Party will use commercially reasonable efforts to collect) therewith. Amounts required to be paid, as so reduced, are hereinafter sometimes called an "Indemnity Payment." If an Indemnified Party shall have received or shall have had paid on its behalf an Indemnity Payment in respect of an

Indemnifiable Loss and shall subsequently actually receive insurance proceeds, or indemnity, contribution or similar payment in respect of such Indemnifiable Loss, then the Indemnified Party shall pay to the Indemnifying Party the amount of such insurance proceeds or payments (after reduction for any costs or expenses incurred in collecting such proceeds and payments) or, if lesser, the amount of the Indemnity Payment.

(g) Notification of Claims.

(i) The Indemnified Party shall promptly notify the Indemnifying Party in writing of any claim or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except, and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was prejudiced as a result of such failure.

(ii) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 8.01(h)(i), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party, the Indemnifying Party shall have the right (at the expense of such Indemnifying Party) to assume the defense of any claim or demand asserted against the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The parties shall make available to the party responsible for defending against such claim or demand or its counsel all records and other material in such parties' possession reasonably required for use in contesting such claim or demand and shall cooperate fully in the defense against such claim or demand. In the event the Indemnifying Party elects not to defend such claim or demand, the Indemnified Party shall defend against such claim or demand in any manner as it may reasonably deem appropriate and the Indemnifying Party shall have the right to participate in such defense as its own expense. The Indemnified Party shall not settle or compromise any claim or demand without the consent of the Indemnifying Party, which consent may not be unreasonably withheld.

(h) Sole and Exclusive Remedy. From and after the Closing, whether a claim arises under contract, Law or otherwise that is not otherwise prohibited by this Agreement, (i) the indemnification provisions of this Section 8.01 shall be the sole and exclusive remedy of the Purchaser Indemnified Parties for any claims to the extent arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Sellers of this Agreement, the Ancillary Agreements or the Disclosure Schedule or any other document referenced herein and (ii) the indemnification provisions of this Section 8.01 shall be the sole and exclusive remedy of Seller Indemnified Parties for any claims to the extent arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Purchaser of this Agreement or the Ancillary Agreements or any other document referenced herein. To the extent that Purchaser or any other Purchaser Indemnified Party suffers or incurs any Losses arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Sellers of this Agreement, the Ancillary Agreements or the Disclosure Schedule or

any other document referenced herein for which Purchaser or any other Purchaser Indemnified Party may assert any other right to indemnification, hold harmless, reimbursement, defense, contribution, payment or recovery from Sellers or any of their Affiliates (whether under this Agreement or under any Law or otherwise) other than as provided in this Section 8.01, Purchaser hereby waives, releases and agrees not to assert such right, and Purchaser agrees to cause each other Purchaser Indemnified Party to waive, release and agree not to assert such right. To the extent that any Seller or any other Seller Indemnified Party suffers or incurs any Losses arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Purchaser of this Agreement or the Ancillary Agreements or any other document referenced herein for which any Seller or any other Seller Indemnified Party may assert any other right to indemnification, hold harmless, reimbursement, defense, contribution, payment or recovery from Purchaser (whether under this Agreement or under any Law or otherwise) other than as provided in this Section 8.01, Sellers hereby waive, release and agree not to assert such right, and each Seller agrees to cause each other Seller Indemnified Party to waive, release and agree not to assert such right. Nothing contained in this Section 8.01 shall limit the right of any party to seek specific performance of covenants which by their terms are required to be performed by any other party after the Closing or preclude any party from seeking any remedy for fraud on the part of any other party.

Section 8.02 Expenses. Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 8.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service for next Business Day delivery, by facsimile or email (followed by delivery of a copy via overnight courier service for next Business Day delivery) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

(a) if to Sellers:

Max Broadcast Group LLC  
900 Laskin Road  
Virginia Beach, VA 23451  
Attn: David J. Wilhelm  
Facsimile: (757) 437-0034  
email: [dwilhelm@maxmediallc.com](mailto:dwilhelm@maxmediallc.com)

with a copy to:

Williams Mullen  
222 Central Park Avenue, Suite 1700  
Virginia Beach, VA 23462

Attn: Stephen W. Burke  
Facsimile: (757) 473-0395  
email: sburke@williamsmullen.com

(b) if to Purchaser:

Cowles Company  
W. 999 Riverside Avenue  
Spokane, Washington 99201  
Attn: Steven R. Rector  
Facsimile: 509-459-5221  
email: SteveR@cowlescompany.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
Attn: David H. Pawlik  
Facsimile: (202) 661-9022  
email: david.pawlik@skadden.com

Section 8.04 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.05 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.06 Entire Agreement. This Agreement, the Ancillary Agreements, the Disclosure Schedule and the Confidentiality Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between Sellers and Purchaser with respect to the subject matter hereof.

Section 8.07 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective permitted successors and assigns.



Section 8.08 No Third-Party Beneficiaries. Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by Sellers and Purchaser.

Section 8.10 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

Section 8.11 Governing Law. This Agreement shall be governed and construed in accordance with the Laws of the State of Delaware applicable to contracts to be made and performed entirely therein without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

Section 8.12 Waiver of Jury Trial. SELLERS AND PURCHASER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLERS OR PURCHASER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

Section 8.13 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or email shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.14 No Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Sellers and Purchaser have caused this Asset Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MAX MEDIA OF MONTANA LLC

By: A. Eugene Loving  
Name: A. Eugene Loving  
Title: Secretary

MMM LICENSE LLC

By: A. Eugene Loving  
Name: A. Eugene Loving  
Title: Secretary

MMM LICENSE II LLC

By: A. Eugene Loving  
Name: A. Eugene Loving  
Title: Secretary

MAX MEDIA OF MONTANA II LLC

By: A. Eugene Loving  
Name: A. Eugene Loving  
Title: Secretary

COWLES MONTANA MEDIA COMPANY

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

IN WITNESS WHEREOF, Sellers and Purchaser have caused this Asset Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MAX MEDIA OF MONTANA LLC

By: \_\_\_\_\_  
Name: A. Eugene Loving  
Title: Secretary

MMM LICENSE LLC

By: \_\_\_\_\_  
Name: A. Eugene Loving  
Title: Secretary

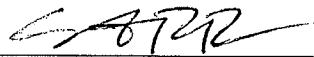
MMM LICENSE II LLC

By: \_\_\_\_\_  
Name: A. Eugene Loving  
Title: Secretary

MAX MEDIA OF MONTANA II LLC

By: \_\_\_\_\_  
Name: A. Eugene Loving  
Title: Secretary

COWLES MONTANA MEDIA COMPANY

By:           
Name: STEVEN R. RECTOR  
Title: TREASURER