

## **OPTION EXERCISE AGREEMENT**

THIS OPTION EXERCISE AGREEMENT (this “**Agreement**”) is made and entered into as of November 1, 2012, by and among Newport Television LLC, a Delaware limited liability company (together with its successors and permitted assigns, “**Option Holder**”), High Plains Broadcasting Operating Company LLC, a Delaware limited liability company (together with its successors and permitted assigns, “**Operating Company**”), High Plains Broadcasting License Company LLC, a Delaware limited liability company (together with its successors and permitted assigns, the “**License Company**” and together with Operating Company, the “**Station Grantors**”), High Plains Broadcasting, Inc., a Delaware corporation (together with its successors and permitted assigns, “**Holding Company**”), and James Martin (together with his successors and permitted assigns, “**Martin**”).

### **WITNESSETH:**

**WHEREAS**, License Company is the licensee of the following broadcast television stations (the “**Stations**”):

KGPE(TV), Fresno, California  
KGET-TV, Bakersfield, California

**WHEREAS**, Option Holder, Station Grantors and Holding Company are parties to that certain Option Agreement date as of May 7, 2009 (the “**Option Agreement**”), pursuant to which, among other things, the Station Grantors have granted to Option Holders an option to purchase the Stations on the terms and conditions set forth in the Option Agreement; and

**WHEREAS**, Option Holder is preparing to exercise such option, and Option Holder and the Station Grantors wish to make arrangement for the orderly implementation of the option exercise pursuant to the terms of the Option Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, agree as follows:

**1. Defined Terms.** All capitalized terms used and not defined herein shall, unless the context otherwise indicates, have the meanings ascribed thereto in the Option Agreement.

**2. Option Exercise.** Pursuant to Section 2 of the Option Agreement, Option Holder hereby exercises the Station Option with respect to the Stations. This Agreement shall be deemed to be a separate Exercise Notice with respect to the Stations, in each case subject to the terms and conditions of the Option Agreement, including without limitation Section 5(c) thereof. The “**Option Closing**” for the Stations shall take place on such date, not later than August 1, 2013, as Option Holder may specify for the Stations by at least ten days’ prior notice to the Station Grantors. The purchase price payable at the Option Closing shall be determined in accordance with Section 6(b) of the Option Agreement.

**3. Closing Mechanics.** As provided in Section 21 of the Option Agreement, Option Holder may, at any Option Closing, assign its rights to receive any or all of the Assets relating to any Station, and to assign any or all of the representations, warranties, indemnification rights,

and other rights under the Option Agreement with respect to the Stations, to another purchaser, and in connection therewith to direct the Station Grantors to convey any and all of Assets relating to any Station to a purchaser other than Option Holder. Accordingly, the closing documents called for under Section 13 of the Option Agreement and the Consent Application specified in Section 26 of the Option Agreement shall specify such other purchaser as the direct assignee of the Station Grantors with respect to such Assets. In the event of such an assignment, Station Grantors shall, pursuant to Section 17 of the Option Agreement, (i) agree to such modifications to the form of Assignment and Assumption Agreement, Assignment and Assumption Agreement (FCC Licenses), and other closing documents specified in the Option Agreement as Option Holder may reasonably request in order to accommodate the requirements of the assignee, and (ii) take all actions necessary or required by Option Holder to facilitate the sale and transfer of the applicable Assets to the assignee, including without limitation complying with those operational, non-solicitation, consent-obtaining and other covenants in the same manner that the Option Holder would be required to perform with respect to the Business (as defined in the Asset Purchase Agreement) under the Asset Purchase Agreement.

**4. Expenses.** Option Holder agrees to reimburse the Station Grantors, within thirty (30) days of invoicing with reasonable documentation, for their reasonable and customary fees, costs and out-of-pocket expenses, including filing fees and reasonable and customary attorneys' fees, incurred in connection with the performance of their covenants and obligations hereunder; *provided, however*, that, for the avoidance of doubt, Option Holder shall have no reimbursement obligation with respect to claims, actions or proceedings brought by or on behalf of a Station Grantor against Option Holder.

**5. Further Assurances.** Subject to the terms and conditions of this Agreement, each of the parties hereto will use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

**6. Amendment and Modification.** This Agreement may be amended, modified or supplemented only by written agreement of each Station Grantor, Holding Company and Option Holder.

**7. Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliances as set forth in this Section 7.

**8. Notices.** All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this Agreement shall be in written or electronic form, and shall be deemed delivered (a) on the date of delivery when (i) delivered by hand or (ii)

sent by reputable overnight courier maintaining records of receipt and (b) on the date of transmission when sent by facsimile or other electronic transmission during normal business hours with confirmation of transmission by the transmitting equipment; *provided, however*, that any such communication delivered by facsimile or other electronic transmission shall only be effective if such communication is also delivered by hand or deposited with a reputable overnight courier maintaining records of receipt within two business days after its delivery by facsimile or other electronic transmission. All such communications shall be addressed to the parties at the address set forth in the Option Agreement or at such other address as a party may designate upon ten days' prior written notice to the other party.

**9. Assignment.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but, except as provided for herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by a Station Grantor without the prior written consent of Option Holder. Without the consent of the Station Grantors, Option Holder shall have the right to assign its rights and obligations under this Agreement to any other party or parties with respect to the Stock Option or the Station Option and, with respect to the Station Option, to assign all or any portion of its rights and obligations hereunder with respect to the Stations; *provided, however*, that Option Holder, as assignor, shall not thereby be released of its obligations hereunder. Upon any such assignment, Option Holder shall deliver to each other party hereto notice setting forth the rights and obligations subject to such assignment. The assignment of any portion of the rights and obligations of Option Holder hereunder shall not modify or affect the other rights and obligations hereunder not so assigned, which rights and obligations shall be retained by Option Holder and, for the avoidance of doubt, may be subject to subsequent exercise or assignment pursuant to the terms and subject to the conditions of this Agreement.

**10. No Third Party Beneficiaries.** Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

**11. Governing Law.** The construction and performance of this Agreement shall be governed by the laws of the State of New York without giving effect to the choice of law provisions thereof.

**12. Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or enforceable, 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 any acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

**13.     *Publicity.*** None of the parties hereto shall make or issue or cause to be made or issued, any announcement (written or oral) concerning this Agreement or the transactions contemplated hereby for dissemination to the general public without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by law or the regulations of any federal or state governmental agency or any stock exchange, except that the party required to make such announcement shall provide a draft copy thereof to the other party hereto, and consult with such other party concerning the timing and content of such announcement, before such announcement is made.

**14.     *FCC Compliance.*** Notwithstanding any provision to the contrary herein, Option Holder's rights under this Agreement are subject to the Communications Act and the FCC Rules.

**15.     *Counterparts.*** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed counterpart of the Agreement by facsimile or electronic transmission will be deemed to be an original counterpart of the Agreement so transmitted.

**16.     *Headings.*** The section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

**17.     *Entire Agreement.*** This Agreement, including the documents delivered pursuant to this Agreement or other written agreements referring specifically to this Agreement, and the Letter Agreement embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement.

**18.     *Termination of Agreement.*** In the event that, pursuant to Section 5(c) of the Option Agreement, Option Holder withdraws any Exercise Notice given pursuant to Section 2 of this Agreement, this Agreement shall terminate with respect to the Stations covered by such Exercise Notice.

IN WITNESS WHEREOF, the undersigned have executed this Option Exercise Agreement as of the day and year first written above.

HIGH PLAINS BROADCASTING, INC.

By: 

Name: James H. Martin

Title: President and Chief Executive Officer

HIGH PLAINS BROADCASTING OPERATING COMPANY  
LLC

By: 

Name: James H. Martin

Title: President and Chief Executive Officer

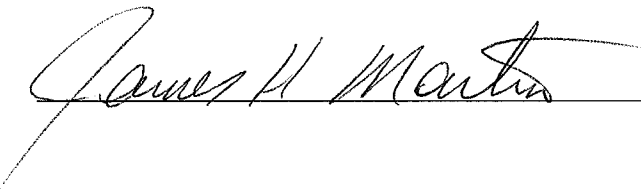
HIGH PLAINS BROADCASTING LICENSE COMPANY  
LLC

By: 

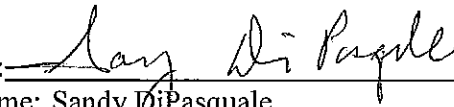
Name: James H. Martin

Title: President and Chief Executive Officer

JAMES H. MARTIN



NEWPORT TELEVISION LLC

By:   
Name: Sandy DiPasquale  
Title: President