

**ASSET PURCHASE AGREEMENT**

**AMONG**

**CASCADE BROADCASTING GROUP, LLC  
AND  
TUCSON COMMUNICATIONS, L.L.C.**

**AND**

**JOURNAL BROADCAST CORPORATION  
AND  
JOURNAL BROADCAST GROUP, INC.**

**AND**

**GREGORY W. KUNZ  
(solely for the purposes of Article 11)**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “*Agreement*”) is made as of March 18, 2008 by and among Cascade Broadcasting Group, LLC, a Nevada limited liability company (“*CBG*”), and Tucson Communications, L.L.C., a Delaware limited liability company (“*Tucson LLC*”, and together with CBG, “*Cascade*”), and Journal Broadcast Corporation, a Nevada corporation (“*JBC*”), and Journal Broadcast Group, Inc., a Wisconsin corporation (“*JBG*”, and together with JBC, “*Journal*”), and, solely for the purposes of **Article 11** (Guaranty), Gregory W. Kunz, a resident of California (the “*Guarantor*”).

### Recitals

A. Cascade owns and operates commercial television broadcast station KWBA(TV), Analog Channel 58, Digital Channel 44, Sierra Vista, Arizona (Facility ID No. 35095) (the “*Station*”), serving the Tucson, Arizona market, pursuant to certain authorizations issued by the Federal Communications Commission (the “*FCC*”).

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Cascade desires to sell to Journal, and Journal desires to purchase from Cascade, the Station Assets (defined below).

### Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

## **ARTICLE 1** **PURCHASE OF ASSETS**

1.1 Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in **Section 1.2**, Cascade shall sell, assign, transfer, convey and deliver to Journal, and Journal shall purchase and acquire from Cascade, all right, title and interest of Cascade in and to all assets and properties of Cascade, real and personal, tangible and intangible, that are located in the State of Arizona and used or held for use in the operation of the Station (the “*Station Assets*”) (it being understood that JBC shall acquire all right, title and interest in, to and under the FCC Licenses and that certain agreement among Cascade Communications, CBS Corporation and Warner Bros. Entertainment, Inc. relating to The CW Television Network and JBG shall acquire all right, title and interest in, to and under all of the other Station Assets), which shall include the following:

(a) all municipal, state and federal franchises, licenses, permits or other authorizations relating to the Station, and all applications for any of the foregoing, including (i) those described on Schedule 1.1(a) (the “*FCC Licenses*”) and (ii) any renewals or modifications thereof between the date hereof and Closing in accordance with **Section 4.1**;

(b) all of Cascade's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Station, including those listed on Schedule 1.1(b) and any replacements thereof, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and in accordance with **Section 4.1** (the "*Tangible Personal Property*");

(c) all of Cascade's real property used or held for use in the operation of the Station (including any appurtenant easements and improvements located thereon), including those listed on Schedule 1.1(c) (the "*Real Property*");

(d) all contracts, agreements and leases used in the Station's business and listed on Schedule 1.1(d), together with all agreements made between the date hereof and Closing to sell time on the Station for cash entered into in the ordinary course of business consistent with Cascade's past practices and cancellable by Journal on no more than 30 days notice and all other contracts, agreements and leases made between the date hereof and Closing in accordance with **Section 4.1** (the "*Station Contracts*");

(e) all of Cascade's rights in and to the Station's call letters and Cascade's rights in and to the trademarks, trade names, service marks, Internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property (whether or not registered) which are used or held for use in the operation of the Station, including those listed on Schedule 1.1(e) (the "*Intangible Property*"), and all goodwill associated therewith;

(f) Cascade's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station's local public file, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below);

(g) all rights to insurance proceeds relating to any damaged or destroyed Station Assets, unless replaced or repaired prior to the Effective Time;

(h) all prepayments, prepaid expenses, deposits (including security deposits), ad valorem taxes and lease and rental payments relating to the Station Assets existing at the Effective Time (collectively, the "*Prepayments*"); provided, that such Prepayments shall be prorated to the date of Closing pursuant to **Section 1.6** hereof; provided further, that if a Prepayment is not susceptible to proration, e.g., deposit, such Prepayment shall increase the amount due to Cascade at Closing by the dollar value of such Prepayment;

(i) all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets, as and to the extent used in the operation of the Station and all licenses and rights in relation thereto;

(j) the server located in Tucson, Arizona which contains historical traffic and billing information for the Station; provided, however, that in order to access the content of said server after the Closing Journal shall be required to, and Journal agrees to, assume Cascade's contract with VCI; provided, further, that Cascade shall provide Journal with all historical traffic and billing information for the Station requested by Journal prior to the Closing; and

(k) all goodwill of or associated with the Station.

The Station Assets shall be transferred to Journal free and clear of liens, mortgages, pledges, security interests, claims and encumbrances ("*Liens*") except for (i) Liens for taxes not yet due and payable; (ii) such Liens, easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use or intended use thereof in the ordinary course of the business of the Station; and (iii) the Lien imposed by Twentieth Television, Inc. ("*20<sup>th</sup>*") under that certain Agreement to Amend the Existing License Agreement dated January 2, 2007 between Tucson LLC and 20<sup>th</sup> (collectively, the "*Permitted Liens*").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "*Excluded Assets*"):

(a) all cash and cash equivalents of Cascade, including certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Cascade retired or disposed of between the date of this Agreement and Closing in accordance with **Section 4.1**;

(c) all Station Contracts that are terminated or expire prior to Closing in accordance with **Section 4.1**;

(d) Cascade's corporate charter documents and books and records relating to the organization, existence or ownership of Cascade;

(e) all employment relationships with existing or past Station Employees (defined below), and all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Cascade, and all contracts, agreements, arrangements and understandings with any current or former Station Employee;

(f) the Station's accounts receivable and any other rights to payment of cash consideration for goods or services provided prior to the Effective Time (defined below) (the "*A/R*"), provided that this exclusion shall in no way limit **Section 4.14**;

(g) subject to **Section 4.15**, the Station's master control facilities in Louisville, Kentucky, including all equipment and software used in connection therewith

and all contracts and licenses associated therewith (including the agreement for use of telecommunications services between Tucson and Louisville);

(h) all rights and claims of Cascade, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;

(i) all claims of Cascade with respect to any Tax refunds;

(j) any assets of Cascade or any affiliated entity which are used primarily in the operation of any station other than the Station;

(k) that certain Standard Commercial Lease dated February 23, 2006 between Foothills Business Ventures, LLC and Tucson LLC for the Station's Tucson studio space (the "*Studio Lease*"); and

(l) the assets listed on Schedule 1.2.

### 1.3 Assumption of Obligations.

(a) On the Closing Date (defined below), Journal shall assume and agree to pay and perform all obligations and liabilities of Cascade that accrue after the Effective Time under the Station Contracts, but only to the extent included in Station Assets (collectively, the "*Assumed Obligations*").

(b) Notwithstanding any provision in this Agreement or any other writing to the contrary, except for the Assumed Obligations, Journal does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Cascade (or any predecessor of Cascade or any prior owner of all or part of Cascade's businesses and assets) of any nature whatsoever, whether presently in existence or arising hereafter. All such other liabilities and obligations shall be retained by and remain obligations and liabilities of Cascade (all such liabilities and obligations not being assumed being herein referred to as the "*Retained Obligations*"), and, notwithstanding anything to the contrary in **Section 1.3(a)**, none of the following shall be Assumed Obligations for the purposes of this Agreement:

(i) any liability or obligation under any contract, lease or agreement other than the Station Contracts to the extent provided in **Section 1.3(a)**;

(ii) any liability or obligation under or with respect to any Station Contract or FCC License required by the terms thereof to be discharged on or prior to the Effective Time;

(iii) except for the Deferred Sums (defined below), any liability or obligation under any Station Contract relating to any period on or prior to the Effective Time or to the extent Cascade has already received the partial or full benefit to which such liability or obligation relates;

(iv) any liability or obligation under any Station Contract that does not relate to the Station or the Station Assets (for example, the liabilities and obligations relating to television station WBKI-TV under the Modification Agreement and Payment Plan dated November \_\_\_, 2006 among Warner Bros. Domestic Television Distribution, Louisville Communications LLC, Tucson LLC and CBG);

(v) any liability or obligation for borrowed money including interest and fees;

(vi) any liability or obligation to a member of Cascade, an affiliate of Cascade or an affiliate of a member of Cascade;

(vii) any liability or obligation relating to or arising out of any of the Excluded Assets;

(viii) any liability or obligation arising under or relating to any Environmental Law (defined below);

(ix) any liability or obligation to the Station Employees, or relating to or arising out of any pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof maintained by Cascade or any contract, agreement, arrangement or understanding with any current or former Station Employee;

(x) any liability or obligation relating to vacation, bonuses and other employee-related benefits, including any stay bonuses earned or put into effect;

(xi) any liability or obligation for any Taxes;

(xii) any liability or obligation relating to or arising out of any action, litigation, suit or proceeding against Cascade or relating to the Station Assets or the operation of the Station on or prior to the Closing;

(xiii) any liability or obligation relating to allegations of fraudulent conveyance or transfer or any claims of creditors; and

(xiv) any liability or obligation caused by, arising out of, or resulting from any act or omission of Cascade.

1.4 Purchase Price. In consideration for the sale of the Station Assets to Journal, Journal shall pay Cascade the amount of \$11,885,000, subject to adjustment pursuant to **Section 1.6** (the "*Purchase Price*"). The Purchase Price shall be payable at Closing as follows:

(a) Journal and Cascade shall instruct the Escrow Agent to disburse the Deposit (defined below) to Cascade.

(b) Journal shall pay Cascade the balance of the Purchase Price remaining after the disbursement of the Deposit to Cascade by wire transfer of immediately

available funds to an account designated by Cascade no later than three business days prior to the scheduled Closing date.

1.5 Deposit. Within one business day of the date of this Agreement, Journal shall make a cash deposit in immediately available funds in an amount equal to \$607,250 (the “*Deposit*”) with Wells Fargo Bank, National Association (the “*Escrow Agent*”) pursuant to the Escrow Agreement (the “*Escrow Agreement*”) of even date herewith among Journal, Cascade and the Escrow Agent. At Closing, the Deposit shall be disbursed to Cascade and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Journal. If this Agreement is terminated for any reason, the Deposit and any interest accrued thereon shall be disbursed to Journal. In such circumstances, the parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Prorations and Adjustments.

(a) Except as otherwise specifically provided in **Section 1.6(c)** or **Section 1.6(d)**, all Station Assets that would be classified as a current asset in accordance with accounting principles generally accepted in the United States (“*GAAP*”) and all Assumed Obligations shall be prorated between Journal on the one hand and Cascade on the other hand as of 12:01 a.m., local Station Time, on the day of Closing (the “*Effective Time*”), including by taking into account the elapsed time or consumption of an asset during the month in which the Effective Time occurs (respectively, the “*Prorated Station Assets*” and the “*Prorated Assumed Obligations*”). Such Prorated Station Assets and Prorated Assumed Obligations relating to the period on or prior to the Effective Time shall be for the account of Cascade and those relating to the period after the Effective Time for the account of Journal and shall be prorated accordingly. In accordance with this **Section 1.6**: (i) Journal shall be required to pay to Cascade the amount of any Prorated Station Asset, previously paid for by Cascade, to the extent Journal will receive a current benefit after the Effective Time, provided that such amount should not have been recognized as an expense in accordance with GAAP prior to the Effective Time; and (ii) Cascade shall be required to pay to Journal the amount of any Prorated Assumed Obligations to the extent they arise with respect to the operation of the Station on or prior to the Effective Time, except as otherwise provided in **Section 1.6(c)** or **Section 1.6(d)**. Assets and liabilities under Program Rights agreements will be prorated as provided under **Section 1.6(c)**.

(b) Such prorations shall include all ad valorem, real estate and other property taxes (except transfer taxes as provided by **Section 10.1**), utility expenses, FCC regulatory fees, music and other license fees, liabilities and obligations under Station Contracts, rent and similar prepaid and deferred items and all other expenses and obligations, such as deferred revenue and prepayments, attributable to the ownership and operation of the Station that straddle the period before and after the Effective Time. If such amounts were prepaid by Cascade prior to the Effective Time and Journal will receive a benefit after the Effective Time, then Cascade shall receive a credit for such amounts. If Cascade was entitled to receive a benefit prior to the Effective Time and such amounts will be paid by Journal after the Effective Time, Journal will receive a credit for such amounts. To the extent not known, FCC regulatory fees, real estate and personal property taxes shall be apportioned on the basis of FCC regulatory fees, taxes assessed for the preceding year, with a reapportionment as soon as the new FCC regulatory fees, tax rate

and valuation can be ascertained even if such is ascertained after the Proration Schedule (defined below) is so determined.

(c) Notwithstanding anything in **Section 1.6(a)** or **Section 1.3(a)** or **1.3(b)(iii)** to the contrary, assets and liabilities under agreements for Program Rights (as defined below) included in the Station Contracts shall be prorated as follows.

(i) Cascade shall be liable for all payments under Program Rights agreements relating to the period on or prior to the Effective Time, and Journal shall be liable for all payments under Program Rights agreements relating to the period after the Effective Time, provided that, in each case:

(A) subject to Subsection (iii) below, any payments under any Program Rights agreements relating to periods that straddle the Effective Time shall be equitably prorated between Journal and Cascade;

(B) notwithstanding the general principle set forth in **Section 1.6(c)(i)** and anything in **Section 1.3(a)** to the contrary, and subject to Subsection (iii) below, Journal shall be liable for all Deferred Sums (as defined below) due and payable subsequent to the Effective Time, provided that Journal shall receive a credit at Closing equal to the amount by which the amount of the Deferred Sums as of the Effective Time to be assumed and paid by Journal after the Effective Time exceeds \$600,000. In the event that the amount of the Deferred Sums as of the Effective Time to be assumed and paid by Journal after the Effective Time is \$600,000 or less, Cascade shall receive a credit at Closing equal to the difference between \$600,000 and the amount of the Deferred Sums as of the Effective Time to be assumed and paid by Journal after the Effective Time. For example, if as of the Effective Time, the amount of the Deferred Sums to be assumed and paid by Journal after the Effective Time equals \$750,000, then Journal would receive a credit at Closing equal to \$150,000 (\$750,000 - \$600,000); and

(C) subject to Subsection (iii) below, any payments under any Program Rights agreements relating to the period on or prior to the Effective Time that are due and payable on or prior to the Effective Time shall be paid at Closing by Journal, on behalf of Cascade, provided that Journal shall receive a credit at Closing equal to the amount of any such accrued payments.

(ii) “*Program Rights*” means all rights of Cascade to broadcast television programs or shows as part of the Station’s network, syndicated and local programming, including film and barter agreements, sports rights agreements, news rights or service agreements and network and syndication agreements, to the extent such rights are included in the Station Assets. For the avoidance of any doubt, the rights and liabilities of Cascade to broadcast television programs or shows on broadcast television station WBKI-TV, Louisville, Kentucky, are Excluded Assets and Retained Obligations.

(iii) “*Deferred Sums*” means that portion of the monthly payment payable under the Program Rights agreements for the “Friends, 2<sup>nd</sup> Cycle,” “Malcolm in

the Middle” and “That 70’s Show” programs with Warner Bros. Domestic Television Distribution, Twentieth Television, Inc. and Carsey-Werner Distribution, LLC, respectively, that has been restructured or deferred by written agreement and relates to the period on or prior to the Effective Time. For the avoidance of any doubt, the Deferred Sums shall not include any deferred or restructured amounts that relate to the period after the Effective Time, which amounts shall be the sole responsibility of Journal and Journal shall have no right of proration, adjustment or credit to the extent such deferred or restructured amounts relate to the period after the Effective Time. Cascade represents and warrants to Journal that, except for the Deferred Sums, no payments due and payable by Cascade under any Station Contracts (as defined in **Section 1.1(d)**) have been restructured or deferred.

(d) Cascade shall act in a commercially reasonable way in projecting ratings for a particular program and shall use commercially reasonable efforts to make good prior to the Effective Time any “make-goods” or the equivalent for under delivery of ratings or for other reasons for commercial time aired by Cascade prior to the Effective Time (“*KWBA Make-Goods*”). If, notwithstanding such efforts, KWBA Make-Goods are outstanding as of the Effective Time, Journal shall make good such KWBA Make-Goods after the Effective Time; provided, that Journal shall receive, as its only recourse, a credit under this **Section 1.6** to the extent that the value of any such KWBA Make-Goods outstanding as of the Effective Time exceeds \$10,000; provided further, that any liability for make-goods for commercial time aired after the publication of the then most recent Nielsen “book” (the “*Pre-Effective Time Book*”) and on or before the Effective Time shall be computed solely based on the programming ratings in such Pre-Effective Time Book; provided further, that if there is any positive or negative discrepancy between the program ratings in the Pre-Effective Time Book and the Nielsen “book” first published after the Effective Time, such discrepancy shall not give Cascade or Journal any right of proration, adjustment or credit under this Agreement.

(e) No later than five business days prior to Closing, Cascade shall deliver to Journal a preliminary list of all items to be prorated pursuant to this **Section 1.6** (the “*Preliminary Proration Schedule*”), and, to the extent that Journal and Cascade agree, such preliminary prorations shall be credited against or added to the Purchase Price at Closing. In the event Journal and Cascade do not reach a final agreement on such prorations at Closing, Journal shall deliver to Cascade a schedule of its proposed prorations (the “*Proration Schedule*”) no later than 45 days after the Closing Date. The Proration Schedule shall be conclusive and binding upon Cascade unless Cascade provides Journal with written notice of objection (the “*Notice of Disagreement*”) within 30 days after Journal’s receipt of the Proration Schedule, which notice shall state the prorations of expenses proposed by Cascade (the “*Cascade’s Proration Amount*”). Journal shall have 10 days from receipt of a Notice of Disagreement to accept or reject Cascade’s Proration Amount. If Journal rejects Cascade’s Proration Amount, either party may submit the dispute for resolution to an independent certified public accountant mutually agreeable to Journal and Cascade (the “*Auditor*”), such resolution to be made within 20 days after submission to the Auditor and to be final, conclusive and binding on Journal and Cascade. Journal and Cascade agree to share equally the cost and expenses of the Auditor, but each party shall bear its own legal and other expenses, if any. Payment by Cascade or Journal, as the case may be, of the proration amounts determined pursuant to this **Section 1.6(e)** shall be due 10 days after the last to occur of (i) Cascade’s acceptance of the Proration Schedule or failure to give Journal a timely

Notice of Disagreement; (ii) Journal's acceptance of Cascade's Proration Amount or failure to reject Cascade's Proration Amount within 30 days of receipt of a Notice of Disagreement; and (iii) notice to Journal and Cascade of the resolution of the disputed amount by the Auditor. Any payment required by Journal to Cascade or by Cascade to Journal, as the case may be, under this **Section 1.6(e)** shall be paid by wire transfer of immediately available federal funds to an account designated by the payee. If either Cascade or Journal fails to pay when due any amount under this **Section 1.6(e)**, interest on such amount will accrue from the date payment was due to the date such payment is made at a per annum rate of 5%, and such interest shall be payable upon demand.

1.7 Allocation. Journal and Cascade will engage an appraiser selected by Journal in its sole discretion to assist Journal and Cascade in determining a supportable basis of value for the allocation of the Purchase Price in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the regulations thereunder. Journal and Cascade shall file their federal income tax returns and other tax returns reflecting the allocation made pursuant to this **Section 1.7**. The fees and expenses of the appraiser shall be paid entirely by Journal.

1.8 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "*Closing*") shall take place (in person or by facsimile or other electronic exchange of the documents to be delivered at the Closing) at the offices of Leventhal Senter & Lerman PLLC, 2000 K Street, N.W., Washington, D.C., on the seventh business day after the date on which the FCC Consent becomes a Final Order (defined below), provided that all conditions set forth in **Article 5** and **Article 6** below have been satisfied or waived. Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "*Closing Date*." "*Final Order*" means an action by the FCC (i) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (ii) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or sua sponte review by the FCC is pending, and (iii) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC's own motion has expired.

1.9 Governmental Consents.

(a) Within ten business days of the date of this Agreement, Journal and Cascade shall file an application with the FCC (the "*FCC Application*") requesting waiver of Section 73.3555 under Note 7 of the FCC's rules (the "*Waiver*") and FCC consent to the assignment of the FCC Licenses to JBC. The grant of the Waiver and the FCC consent to the assignment of the FCC Licenses to JBC together are referred to herein as the "*FCC Consent*." Journal and Cascade shall diligently prosecute the FCC Application, including the Waiver, and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Journal and Cascade shall use commercially reasonable efforts to oppose (i) any petition or objection against the FCC Application and/or Waiver and (ii) any action by any person or entity to contest the FCC's grant of the FCC Application before the FCC, but not in court unless Cascade shall agree to reimburse Journal for its reasonable expenses, including attorneys fees and legal costs, in which case Journal shall fully cooperate with Cascade in

prosecuting an appeal or defending the FCC Consent, as the case may be, provided that nothing in this **Section 1.9(a)** shall be interpreted to extend the Outside Date.

(b) Journal and Cascade shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Journal and Cascade shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation and prosecution of any governmental filing hereunder, including the Waiver. If Journal or Cascade becomes aware of any fact that would prevent or delay the FCC Consent, it shall promptly notify the other and use its commercially reasonable efforts to remove, or assist in the removal, of such impediment.

## **ARTICLE 2**

### **CASCADE REPRESENTATIONS AND WARRANTIES**

Cascade hereby represents and warrants to Journal as follows:

2.1 **Organization.** Each of CBG and Tucson LLC is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is, or will be on or before the Closing, qualified to do business in their states of formation and the State of Arizona. Cascade has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Cascade pursuant hereto or in connection with the transactions contemplated hereby (collectively, the “*Cascade Ancillary Agreements*”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2 **Authorization.** The execution, delivery and performance of this Agreement and the Cascade Ancillary Agreements by Cascade have been duly authorized and approved by all necessary action of Cascade and do not require any further authorization or consent of Cascade. This Agreement is, and each Cascade Ancillary Agreement when made by Cascade and the other parties thereto will be, a legal, valid and binding agreement of Cascade enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 **No Conflicts.** Except as set forth on Schedule 2.3 and except for the FCC Consent, the execution, delivery and performance by Cascade of this Agreement and the Cascade Ancillary Agreements and the consummation by Cascade of any of the transactions contemplated hereby (a) does not violate or conflict with any organizational documents of Cascade or any law, judgment, order, or decree to which Cascade is subject; (b) require the consent or approval of, or a filing by Cascade with, any governmental or regulatory authority or any third party; (c) require any consent or other action by or notification to any party under, constitute a default under, or give to any party any rights of termination, amendment, acceleration or cancellation of any right or obligation of Cascade or to a loss of any benefit relating to the Station to which Cascade is

entitled under, any provision of any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Cascade is a party or by which any of its assets or may be bound; or (d) result in the creation or imposition of any Lien on any asset of Cascade, except for Permitted Liens.

#### 2.4 FCC Licenses.

(a) Schedule 1.1(a) contains a true and complete list of the licenses, permits and other authorizations issued by the FCC relating to the Station, and there are no other licenses, permits or other authorizations from the FCC required for the lawful operation of the Station substantially in the manner now operated. Tucson LLC is the holder of the FCC Licenses. Cascade has delivered true and complete copies of the FCC Licenses to Journal. To Cascade's knowledge, the FCC Licenses were validly issued by the FCC. The FCC Licenses are validly held by Tucson LLC and are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired, and FCC actions with respect to the FCC Licenses are Final Orders. The issuance by the FCC of each of the FCC Licenses are Final Orders. For the purposes of this Agreement, the term "*to Cascade's knowledge*" or the equivalent means the actual conscious knowledge after due inquiry of Gregory W. Kunz, Carol LaFever, Tom Hettle or Andrew Stewart.

(b) The FCC Licenses have been issued for the full terms customarily issued to full power television broadcast stations in the State of Arizona, and the FCC Licenses are not subject to any condition except for those conditions applicable to full power television broadcast licenses generally. There is not pending or, to Cascade's knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there are no petitions, complaints, orders to show cause, notices of violation, notices of apparent liability or forfeiture, proceedings or other actions pending or, to Cascade's knowledge, threatened before the FCC relating to the Station or against Cascade with respect to the Station that could result in any such action. To Cascade's knowledge, there is no petition, complaint, proceeding or other action pending or threatened at the FCC that materially adversely affects the Station, other than proceedings affecting the broadcast television industry generally. The Station is operating in material compliance with the FCC Licenses, the Communications Act of 1934, as amended (the "*Communications Act*"), and the published rules, regulations and policies of the FCC.

(c) The Station has been allotted Channel 44 by the FCC for the provision of digital television ("*DTV*") service, and the FCC Licenses include a license to operate DTV facilities on Channel 44. Cascade has constructed the Station's authorized DTV facilities, and the Station is broadcasting a DTV signal in accordance with such authorization.

(d) The Station, including both analog Channel 58 and digital Channel 44, is operating at full power authorized by the FCC Licenses and not pursuant to any temporary waiver. As of the date of this Agreement, Cascade has no applications pending before the FCC relating to the operation of the Station.

(e) Cascade has complied in all material respects with the FCC's document filing and public inspection file regulations other than such noncompliance as would not have a material adverse effect on Journal, on the FCC Licenses as held by Journal, or on the Station as owned by Journal. Cascade has paid all FCC regulatory fees with respect to the Station.

(f) Other than business licenses, certificates of incorporation or certificates to do business, zoning permits, occupation permits and other routine documents typically required to conduct a business, and, in the case of operation by Journal, the FCC Consent, the Waiver, the filing with the FCC of notice of consummation and certain other documents required to be filed with the FCC and name and address change information, no qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations of any governmental authority other than those from the Federal Aviation Administration ("FAA") (which are included in the Station Assets) and the FCC Licenses are required to own and operate the Station as a television broadcast station in substantially the same manner as the Station is being operated as of the date hereof and the Closing Date.

(g) Cascade has operated the Station, its physical facilities, electrical and mechanical systems and transmitting and studio equipment materially in compliance with the Communications Act and the FCC Licenses. All antenna support structures used in the operation of the Station have been registered with the FCC, if registration is required, and comply with all other requirements of the FCC and the FAA.

(h) Subject to the Waiver and FCC Consent, Tucson LLC is qualified under the Communications Act to assign the FCC Licenses to JBC. Other than the Waiver, to Cascade's knowledge, there is no fact or circumstance relating to the Station or Cascade or any of its affiliates that would cause the FCC to delay or deny the approval of the FCC Application. Cascade has no reason to believe that the FCC Application will be challenged or, except for the need for the Waiver, might not be granted by the FCC in the ordinary course. Cascade, reasonably and in good faith, believes that the FCC will conclude that the Station qualifies as a "failing station" under Note 7 to Section 73.3555 of the FCC's rules as currently in effect and interpreted by the FCC. The Station's information required by the FCC to be submitted for a "failing station" waiver will be contained in the "Failing Station Waiver Exhibit" to the FCC Application, which will be substantially in the form of the "Request for Failing Station Waiver" attached hereto at Exhibit A. All such information provided by Cascade in that Exhibit A is, or will be on or prior to the filing of the FCC Application, true and correct in all material respects.

## 2.5 Cable and Satellite Matters.

(a) Schedule 2.5(a) contains a list of all cable television systems in the Tucson Nielsen Designated Market Area (the "*Tucson DMA*") on which the Station's signal is presently carried ("*Market Cable Systems*"), including the location of the principal head end of each system, the area served by each such system and the channel position of the Station on each system. Cascade has timely made must-carry elections or entered into retransmission consent agreements with respect to the Market Cable Systems. The Station's signal is carried on the broadcast basic tier of all cable systems that carry the Station. No Market Cable System has provided written notice to Cascade of any signal quality issue or failed to respond to a request for carriage or sought any form of relief from carriage of the Station from the FCC. Cascade has not

received any written notice of any Market Cable System's intention to delete the Station from carriage or to change the Station's channel position on such cable system. Cascade has no petition pending before the FCC to extend the Station's market for cable carriage purposes beyond the Tucson DMA.

(b) Schedule 2.5(b) contains a list of the cable systems outside the Tucson DMA, if any, that carry the Station, including the location of the principal head end of each system, the area served by each such system and the channel position of the Station on each system.

(c) Schedule 2.5(c) contains a list of all retransmission consent, channel positioning or other agreements with cable systems with respect to the Station, and Cascade has previously furnished Journal with true and correct copies of all such agreements.

(d) Cascade timely made must-carry elections or has entered into retransmission consent agreements with DIRECTV and EchoStar, each of which provides local-into-local service in the Tucson DMA. Schedule 2.5(d) lists these must-carry elections or retransmission consent agreements, and Cascade has previously furnished Journal with true and correct copies of these elections or agreements. Neither DIRECTV nor EchoStar has advised Cascade or any of its affiliates of any signal quality or other issues with respect to the Station's must-carry or retransmission consent elections, and the Station is being carried by DIRECTV and EchoStar in the Tucson DMA on such carrier's satellite serving such market. Except as disclosed on Schedule 2.5(d), neither Cascade nor any of its affiliates have unresolved disputes with satellite carriers with respect to the carriage of the Station.

2.6 Taxes. Cascade has duly and timely filed all federal, state and local returns, reports, estimates and other statements required to have been filed by Cascade with any jurisdiction with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "Taxes"). Cascade has paid all Taxes which have become due and payable. There are no such Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or for Cascade with respect to any of such Taxes for any tax years still open to audit. No deficiency for any amount of Tax has been asserted or assessed by a Tax authority against Cascade or for which Cascade may be liable, and there are no judicial proceedings pending with respect to Taxes due from Cascade.

2.7 Personal Property. Schedule 1.1(b) contains a list of all material items of Tangible Personal Property included in the Station Assets. Except as set forth on Schedule 1.1(b), Cascade has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on Schedule 1.1(b), all items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted. The parties acknowledge that Journal has inspected the Tangible Personal Property at the Station's transmitter site and has not brought to Cascade's attention any matter requiring repair or replacement.

## 2.8 Real Property.

For avoidance of any doubt, the parties acknowledge and agree that none of the representations and warranties contained in this **Section 2.8**, other than the first sentence of **Section 2.8(a)**, shall relate to the real property or building in which the Station's main studio is located, which are the subject of the Studio Lease which is an Excluded Asset that Journal is not assuming under this Agreement.

(a) Cascade does not own any real property used in the operation of the Station. Schedule 1.1(c) includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the "*Real Property Leases*"). Cascade has valid and transferable leasehold or other interests, as applicable, in the Real Property, in each case free and clear of any and all Liens other than Permitted Liens; provided, however, Cascade makes no warranty as to the transferability of the Transmitter Site Lease (defined below). Cascade does not own, lease, sublease, license or use any real property in the operation of the Station other than the Real Property. True and complete copies of the Real Property Leases have heretofore been furnished by Cascade to Journal. Except as noted on Schedule 1.1(c), the rental amount and termination date set forth in each Real Property Lease is the actual rent being paid and the actual date of termination of the Real Property Lease, and there are no separate agreements or understandings with respect to the same. Upon the Closing, all right, title and interest of Cascade in, to and under the Real Property Leases will be transferred to Journal free and clear of all Liens other than Permitted Liens and any other encumbrances either customarily imposed by the United States Forest Service (the "*Forest Service*") on its lessees or imposed by the Forest Service under the Communications Use Lease with Tucson LLC for the Station's transmitter site ("*Transmitter Site Lease*").

(b) Except as disclosed on Schedule 1.1(c), neither Cascade nor any of its affiliates have subjected the Real Property to any easements, rights, duties, obligations, covenants, conditions, restrictions, limitations or agreements not of record.

(c) Cascade has not received written notice of, or otherwise have knowledge of, any pending condemnation or similar proceeding affecting the Real Property or any portion thereof, and to the knowledge of Cascade, no such condemnation or similar proceeding is presently contemplated or threatened.

(d) Cascade has not received any written notice from any insurance company of any defects or inadequacies in the Real Property or any part thereof that would materially adversely affect the insurability of the Real Property or the premiums for the insurance thereof. Cascade has not received any notice from any insurance company that has issued or refused to issue a policy with respect to any portion of the Real Property or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work with which compliance has not been made.

(e) Except as disclosed on Schedule 1.1(c), there are no parties in possession of any portion of the Real Property other than Cascade, whether as lessees, sublessees, licensees or tenants at will.

(f) To Cascade's knowledge, the current use of the Real Property does not violate any restrictive covenants affecting the Real Property or otherwise violate in any material respect any law. To Cascade's knowledge, there is no law now in existence the operation of which would require Cascade to make any material expenditure to modify or improve any of the Real Property or to bring such Real Property into substantial compliance therewith. Subject to the Forest Service's consent to the assignment of the Transmitter Site Lease, to Cascade's knowledge, there are no facts that would prevent any portion of the Real Property from being occupied by Journal after the Closing in substantially the same manner as currently occupied.

(g) Cascade enjoys peaceful and quiet possession of the Real Property consistent with the terms and conditions of the Transmitter Site Lease. Cascade has full legal and practical access to each parcel of Real Property to and from completed, dedicated and accepted public roads, and, to Cascade's knowledge, there is no pending or threatened action that would impair or curtail such access. All towers, guy anchors, buildings and other improvements are wholly within the lot limits of the applicable Real Property and do not encroach on any adjoining premises.

(h) All amounts owing to any architect, contractor, subcontractor or materialman for labor or materials performed, rendered or supplied to or in connection with the Real Property have been or shall have been paid prior to or at Closing.

## 2.9 Contracts.

(a) Unless identified as an Excluded Asset on Schedule 1.2, the Station Contracts listed on Schedule 1.1(d) constitute all of contracts, agreements, leases, licenses, commitments, sales and purchase orders and other instruments, whether oral or written, relating to the operation of the Station:

(i) for the sale of broadcast time for advertising or other purposes for cash that was not made in the ordinary course of business consistent with past practices and cancellable by Journal on no more than 30 days notice;

(ii) involving the Real Property;

(iii) involving construction, architecture, engineering or other agreements relating to uncompleted construction projects;

(iv) under which either Cascade has, directly or indirectly made or received any loan, extension of credit or made a capital contribution to, or investment in, any third party;

(v) for any mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any property of the Station;

(vi) containing a guarantee or indemnification by the Station;

(vii) containing any noncompetition or other material business limitation restrictions binding on (A) the Station or its employees or consultants or (B) any affiliate of the Station;

(viii) involving a partnership, joint venture or similar agreement with another party;

(ix) relating to Program Rights;

(x) with any Cascade affiliate or with any director or officer of Cascade; or

(xi) relating to the use of the Station's digital bit stream.

(b) Except as set forth on Schedule 1.1(d), each of the Station Contracts (including each of the Real Property Leases) is in full force and effect and is valid and binding upon Cascade and, to Cascade's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Except as disclosed in Schedule 1.1(d), Cascade has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and neither does any circumstance or condition exist thereunder which with notice or lapse of time or both would constitute a material default thereunder, and to Cascade's knowledge, no other party to any of the Station Contracts is in material default thereunder and neither does any circumstance or condition exist thereunder which with notice or lapse of time or both would be in material default thereunder. Cascade has previously provided to Journal a true and complete copy of each Station Contract, including all amendments, modifications and supplements thereto, and any assignments thereof.

(c) Schedule 2.9(c) sets forth (i) an accurate schedule setting forth the feature film inventory of the Station as of March 1, 2008, (ii) an accurate schedule of the cash programming assets of the Station dated as of March 1, 2008, and (iii) an accurate schedule of the cash programming liabilities of the Station dated as of March 1, 2008.

## 2.10 Environmental.

For avoidance of any doubt, the parties acknowledge and agree that none of the representations and warranties contained in this **Section 2.10** shall relate to the real property or building in which the Station's main studio is located, which are the subject of the Studio Lease which is an Excluded Asset that Journal is not assuming under this Agreement.

(a) Except as disclosed on Schedule 2.10:

(i) no notice, demand, decree, request for information, citation, summons or order has been received by Cascade, and to Cascade's knowledge, no complaint has been filed, no penalty has been assessed and no investigation or action or review is pending or threatened by any governmental authority or other entity with respect to any matters relating to the Station or Cascade with respect to the Station and relating to or arising out of any Environmental Law. "*Environmental Laws*" are those

federal, state and local laws and regulations relating to (A) releases or threatened releases of hazardous or toxic wastes, chemicals, substances, constituents, pollutants or related material, whether solids, liquids, gases, or underground storage tanks, including polychlorinated biphenyls (PCBs), mold, asbestos, radioactive materials and wastes, and petroleum products or other hydrocarbons (including crude oil or any fraction or derivative thereof) (“*Hazardous Materials*”) into the environment; (B) the use, treatment, storage, disposal, handling, discharging or shipment of Hazardous Materials; (C) the regulation of storage tanks; or (D) otherwise relating to pollution or protection of human health, occupational safety or the environment.

(ii) to Cascade’s knowledge, there are no liabilities of or relating to the Station or Cascade with respect to the Station of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law, and there are no facts, conditions, situations or set of circumstances that could reasonably be expected to result in or be the basis for any such liability;

(iii) to Cascade’s knowledge, no Hazardous Material, incinerator, sump, surface impoundment, lagoon, landfill, septic, wastewater treatment or other disposal system or underground storage tank (active or inactive) is or has been present at, on or under the Real Property or any property now or previously owned, leased or operated by the Station or Cascade with respect to the Station;

(iv) to Cascade’s knowledge, no Hazardous Material has been generated, stored, transported, discharged, released, or disposed of at, on, in, from, or to any property now or previously owned, leased or operated by Cascade in connection with the operation of the Station;

(v) to Cascade’s knowledge, (A) no property now or previously owned, leased or operated by Cascade in connection with the operation of the Station, nor (B) any property to which Cascade or the Station has, directly or indirectly, transported or arranged for the transportation of any Hazardous Material is listed or proposed for listing, on the National Priorities List promulgated pursuant to The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq (“*CERCLA*”), on CERCLIS (as defined in *CERCLA*) or on any similar federal, state or local list of sites requiring investigation or clean-up; and

(vi) the Station and Cascade (to the extent relating to the operation of the Station) have complied, and are in compliance, in all material respects with all Environmental Laws and have obtained and are in compliance in all material respects with all permits, licenses and approvals of governmental authorities, if any, necessary for occupancy of the Real Property or operation of the Station Assets under applicable Environmental Laws (the “*Environmental Permits*”); such Environmental Permits are valid and in full force and effect and will not be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

(b) Cascade has delivered to Journal complete copies of any environmental investigation, study, audit, test, review or other analysis in the possession of Cascade relating to the Real Property or the operation of the Station Assets.

#### 2.11 Intangible Property.

(a) To Cascade's knowledge, Cascade's use of the Intangible Property does not infringe upon any third party rights. There are no claims, demands or proceedings pending or threatened by any third party pertaining to or challenging either Cascade's right to use any of the Intangible Property or that any Intangible Property or any services provided or processes used by Cascade do or may conflict with, or infringe or otherwise violate the rights of third parties. Except to the extent that Cascade's rights are subject to a Station Contract, Cascade owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

(b) There is no trademark, trade name, patent or copyright owned by a third party that Cascade is using in the operation of the Station without valid license to do so.

(c) The Intangible Property includes all copyrights, patents and trademarks, including rights in and to the Station's call letters, used in the operation of the Station, and the goodwill associated therewith.

(d) Schedule 1.1(e) contains a description of the material Intangible Property. Except as set forth on Schedule 1.1(e), all material Intangible Property, including the Station's call letters, has been duly applied for or registered in, filed in or issued by, as applicable, the appropriate governmental authority where such registration, filing or issuance is necessary, and all such filings, registrations and issuances are valid and in good standing. All of the Intangible Property is transferable to Journal without the consent of any third party and none of have been licensed to any third party.

(e) Cascade has not received any written notice, or otherwise have knowledge, that any of the Intangible Property is the subject of a judicial or administrative finding, opinion or office action or has been adjudged invalid, unenforceable or unregistrable in whole or in part. Each Intangible Property is valid and enforceable.

#### 2.12 Employees; Labor Matters.

(a) Schedule 2.12 sets forth a true and complete list, dated as of the date set forth thereon, of the full-time, part-time and per-diem employees employed by Cascade at the Station (the "*Station Employees*"), including name, date of hire, current rate of compensation, employment status (i.e., active, disabled, on authorized leave and reason therefor), department, title and whether full-time, part-time or per-diem.

(b) Cascade is not subject to or bound by any labor agreement or collective bargaining agreement. Cascade has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station's business, including those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not engaged in any unfair labor practice. There is no unfair labor practice charge or

complaint in respect of the Station's business pending or, to Cascade's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal. There is no strike, dispute, request for representation, slowdown or stoppage pending or, to Cascade's knowledge, threatened in respect of the Station's business, and, to Cascade's knowledge, there is no activity involving any Station Employee seeking to certify a collective bargaining unit or engaging in any other organizational activity.

(c) Cascade's sale of the Station Assets to Journal will not result in any liability to Journal under Title I or IV of ERISA, or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans, and to the knowledge of Cascade, no event, transaction or condition has occurred or exists which could result in such liability. Cascade is, and will be, in compliance with the Workers Adjustment and Retraining Notification Act, as amended, and any similar federal, state or local law or regulation.

2.13 Insurance. Cascade maintains insurance policies or other arrangements with respect to the Station and the Station Assets consistent with its usual and customary practices, and shall maintain such policies or arrangements in full force and effect until the Effective Time. Schedule 2.13 contains a summary of Cascade's insurance coverage for the Station as of the date of this Agreement.

2.14 Compliance with Law. Cascade has complied in all material respects with all laws, rules and regulations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Station. Cascade has received no written notice of any pending governmental claims or investigations and, to Cascade's knowledge, there are no governmental claims or investigations pending or threatened against Cascade, in each case in respect of the Station.

2.15 Litigation. There is no action, suit or proceeding pending or, to Cascade's knowledge, threatened against Cascade in respect of the Station or the operation of the Station.

2.16 Financial Statements.

(a) True and complete copies of (i) the audited balance sheets for CBG as at December 31, 2004 and December 31, 2005 and the related audited statements of income for CBG for the years ended December 31, 2004 and December 31, 2005; (ii) the audited statements of income for Tucson LLC included as supplementary information for the years ended December 31, 2004 and December 31, 2005; (iii) the unaudited but accountant reviewed balance sheets for CBG as at December 31, 2006 and December 31, 2007 and the related unaudited but accountant reviewed statements of income for CBG for the years ended December 31, 2006 and December 31, 2007; (iv) the unaudited but accountant reviewed statements of income for Tucson LLC included as supplementary information for the years ended December 31, 2006 and December 31, 2007; and (v) the unaudited monthly statements of income for Tucson LLC for each month of 2007 and January of 2008 are attached at Schedule 2.16 (collectively, the "*Financial Statements*").

(b) The Financial Statements (i) are in accordance with the books and records of the Station, (ii) were prepared in accordance with GAAP, (iii) accurately and fairly present the

financial condition and results of operation of the Station as at the dates indicated and the results of its operations and cash flows for the periods then ended and (iv) do not reflect any unusual or infrequently occurring items or related party transactions.

(c) The books and records of the Station (i) reflect all items of income and expense and all assets and liabilities required to be reflected therein in accordance with GAAP and (ii) are in all material respects complete and correct.

(d) All notes payable of Cascade are held by members of Cascade (the “*Member Notes Payable*”).

2.17 Absence of Certain Changes or Events. Except as set forth on Schedule 2.17:

(a) Since December 31, 2007, Cascade has operated the Station in the ordinary course consistent with past practices.

(b) Cascade has no liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, relating to the Station, except for those liabilities reflected or reserved against in the Financial Statements and current liabilities incurred in the ordinary course of business of the Station since December 31, 2007.

(c) Since December 31, 2007, there has not been:

(i) any event, occurrence, development or state of circumstances or facts, excluding (A) the economy generally as well as in Tucson, (B) a decline in the ratings of the Station, (C) a decline in the Station’s sales and accounts receivable levels, and (D) any changes in the Federal laws and in the rules, regulations and policies of the FCC as they may affect the television broadcast industry generally, that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the condition, financial or otherwise, assets, results of operations or properties of the Station or the conduct and operation of the Station;

(ii) any incurrence, assumption or guarantee by Cascade of any indebtedness for borrowed money with respect to the Station, in each case that may bind or obligate Journal or any of its affiliates in any way upon or as a result of the consummation of the transactions contemplated hereby;

(iii) any making of any loan, advance or capital contributions to or investment in any entity, in each case that may bind or obligate Journal or any of its affiliates in any way upon or as a result of the consummation of the transactions contemplated hereby;

(iv) any damage, destruction or loss, whether or not covered by insurance, with respect to the Station Assets having a replacement cost of more than \$10,000 for any single loss or \$50,000 for all such losses;

(v) instituted or settled any legal proceeding by Cascade relating to the Station;

(vi) any transaction or commitment made, or any contract or agreement entered into, by Cascade relating to the Station Assets (including the acquisition or disposition of any assets) or any relinquishment by Cascade of any contract or other right, in either case, other than transactions and commitments in the ordinary course of business consistent with past practices and those contemplated by this Agreement;

(vii) any material change in the programming policies of the Station;

(viii) the creation or other incurrence by Cascade of any Lien on any asset relating to the Station other than Permitted Liens or Liens that will be removed at or prior to the Closing;

(ix) any transfer, conveyance or termination of any interest in, or rights to, the Real Property;

(x) any change in any method of accounting or accounting practice by Cascade with respect to the Station, except for any such change required by reason of a concurrent change in GAAP;

(xi) any material write-down of the value of any Station Asset;

(xii) any capital expenditure or commitment or addition to property, plant or equipment of Cascade, individually or in the aggregate, in excess of \$25,000, except as contemplated by this Agreement;

(xiii) any expiration, cancellation or loss of or any adverse modification to any FCC License or any other permit, except as contemplated by this Agreement; or

(xiv) any agreement or commitment to do anything set forth in this

**Section 2.17.**

**2.18 Title to Station Assets; Sufficiency of Assets.**

(a) Cascade has good and valid title to, or valid leasehold interests in, all of the Station Assets free and clear of all Liens other than Permitted Liens or Liens that will be removed at or prior to the Closing. At the Closing, all of the Station Assets will be transferred to Journal free and clear of all Liens other than Permitted Liens.

(b) The Station Assets include all assets and properties, and all leases, licenses and other agreements, which are necessary to permit Journal to carry on, or are currently used or held for use in, the business of the Station as presently conducted, except the Studio Lease and the Station's Master Control facilities in Louisville, Kentucky which are not being conveyed to Journal.

**2.19 Related Party Transactions.** With the exception of the Master Control facilities in Louisville, Kentucky and related equipment and data, no member or affiliate of Cascade or affiliate of a member of Cascade owns or leases property to Cascade or is a party to any lease or agreement affected or relating to the operation of the Station.

2.20 Broker's Fees. Except as regards Patrick Communications LLC, neither Cascade nor any entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any entity. Cascade will be solely responsible for any payment due Patrick Communications LLC as a consequence of the transactions contemplated by this Agreement.

### **ARTICLE 3**

#### **JOURNAL REPRESENTATIONS AND WARRANTIES**

Journal hereby represents and warrants to Cascade as follows:

3.1 Organization. JBC is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. JBG is a corporation validly existing under the laws of the State of Wisconsin. Each of JBC and JBG are qualified to do business in each jurisdiction in which the Station Assets are located to the extent required by law. Journal has the requisite power and authority to execute and deliver this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Journal pursuant hereto or in connection with the transactions contemplated hereby (collectively, the "*Journal Ancillary Agreements*"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Journal Ancillary Agreements by Journal have been duly authorized and approved by all necessary action of Journal and do not require any further authorization or consent of Journal. This Agreement is, and each Journal Ancillary Agreement when made by Journal and the other parties thereto will be, a legal, valid and binding agreement of Journal enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the FCC Consent, the execution, delivery and performance by Journal of this Agreement and the Journal Ancillary Agreements and the consummation by Journal of any of the transactions contemplated hereby does not violate or conflict with any organizational documents of Journal or any law, judgment, order or decree to which Journal is subject, or require the consent or approval of, or a filing by Journal with, any governmental or regulatory authority or any third party.

3.4 Qualification. Other than the need to obtain the Waiver, (a) Journal is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC as in effect on the date of this Agreement; (b) to Journal's knowledge, there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Journal as an assignee of the FCC Licenses or as the owner and operator of the Station; and (c) no other waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained. In connection with the Waiver, Journal will commit to the FCC to produce the

public interest benefits that are identified at Exhibit A hereto. Other than the Waiver, to Journal's knowledge, there is no fact or circumstance relating to Journal or any of its affiliates that would cause the FCC to delay or deny the approval of the FCC Application. Journal has no reason to believe that the FCC Application will be challenged or, except for the need for the Waiver, might not be granted by the FCC in the ordinary course.

3.5 Broker's Fees. Neither Journal nor entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any entity.

#### **ARTICLE 4** **COVENANTS**

Journal and Cascade hereby covenant and agree as follows:

4.1 Operations Pending Closing. Between the date hereof and Closing, except as expressly permitted by this Agreement or with the prior written consent of Journal, which shall not be unreasonably withheld, delayed or conditioned, Cascade shall:

- (a) comply in all material respects with all laws applicable to the Station, and operate and maintain the Station in all material respects in conformity with the FCC Licenses and all applicable laws, ordinances, regulations, rules and orders;
- (b) maintain the FCC Licenses and any other authorizations and permits relating to the Station in full force and effect, not modify any of the FCC Licenses, timely file all reports required to be filed with the FCC with respect to the FCC Licenses, and timely pay when due all annual regulatory fees with respect to the FCC Licenses;
- (c) conduct the business of the Station and operate and maintain the Station and the Station Assets in the ordinary course of business, in accordance with Cascade's past commercial practices, and use all its usual and customary efforts to preserve the business operation, revenue, goodwill and reputation of the Station, including relationships with customers and suppliers;
- (d) except for those payments, services and other consideration which are the subject of a bona fide dispute, make or provide all payments, services or other consideration due under the Station Contracts so that all payments required to be made as of the Closing Date will have been paid prior to or at Closing;
- (e) except as to timeliness of payment, not take, or fail to take, any action which will cause a breach of, or default under, any Station Contract;
- (f) not take, or fail to take, any action which will cause a termination of any Station Contract;
- (g) except as set forth in **Section 4.1(t)**, not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify any terms of any Station Contract;

(h) not enter into or become obligated under or commit to enter into or become obligated under any contract or agreement relating to the Station, other than agreements to sell time on the Station for cash entered into in the ordinary course of business consistent with Cascade's past practices and cancellable by Journal on no more than 30 days notice;

(i) maintain the Tangible Personal Property in good operating condition, ordinary wear and tear excepted, and replace with a substantially equivalent asset of substantially equivalent quality or utility any of such Tangible Personal Property that shall be worn out, lost, stolen or destroyed;

(j) not sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens;

(k) promote and market the Station and programming thereon on a basis consistent with past practice;

(l) (i) utilize the Program Rights only in the ordinary course of business consistent with past practices and substantially in accordance with the anticipated usage of such Program Rights and (ii) not sell or otherwise dispose of any Program Rights and (iii) make payments on Program Rights and agreements on a basis consistent with past practices and otherwise in accordance with this Agreement;

(m) not change the programming format or network affiliation of the Station;

(n) adhere to the Station's current practices with respect to the amount of airtime available to broadcast commercials on the Station;

(o) follow the Station's usual and customary policy with respect to (i) extending credit for sales of broadcast time on the Station and (ii) collecting accounts receivable relating to the Station;

(p) maintain in effect its current insurance policies with respect to the Station Assets and the operation of the Station;

(q) pay or cause to be paid or provided for all Taxes, and any penalties arising therefrom, relating to Cascade's operation of the Station, required to be paid to governmental authorities up to the Closing Date;

(r) within 21 days of the end of each calendar month, provide to Journal a copy of the monthly unaudited financial statements for the Station, including a balance sheet, for the prior month and the fiscal year to the end of such month (each of the foregoing financial statements shall comply with the requirements concerning financial statements set forth in **Section 2.16**);

(s) not enter into any employment, labor or union agreements or plan that will be binding upon Journal after Closing;

(t) timely (i) make any must-carry/retransmission election that must be made prior to the Closing Date, provided that Cascade shall not elect must-carry (by default or otherwise) or enter into a retransmission consent agreement without Journal's consent and (ii) send notice of non-renewal or termination of the retransmission consent agreements listed on Schedule 4.1; and

(u) use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out.

4.2 Control. Journal shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of Cascade as the holder of the FCC Licenses.

4.3 Access to Information.

(a) From the date hereof until the Closing Date, upon reasonable notice, Cascade shall (i) give Journal, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of the Station, for purposes of, among other things, engineering inspections, installing equipment relating to Journal's post-Closing master control functions and traffic systems and transferring certain traffic information, (ii) furnish to Journal, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Station as such persons may from time to time reasonably request and (iii) instruct the employees, counsel and financial advisors of Cascade to cooperate with Journal in its investigation of the Station; provided, however, that any investigation pursuant to this **Section 4.3** shall be conducted in such manner as not to unreasonably interfere with the operation of the Station. No investigation by Journal or other information received by Journal shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Cascade hereunder.

(b) On and after the Closing Date, upon reasonable advance notice, Cascade will afford promptly to Journal and its agents reasonable access to its books of account, financial and other records (including accountant's work papers), information, employees and auditors to the extent necessary or reasonably useful for Journal in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the operation of the Station.

4.4 Confidentiality.

(a) Each party shall keep confidential all information obtained by it with respect to the other in connection with the negotiation, preparation or performance of this Agreement (including all financial information provided by Cascade to Journal), and if the transactions contemplated hereby are not consummated for any reason, each shall destroy or return to the other, without retaining a copy thereof, any schedules, documents or other written information from the other in connection with this Agreement and the transactions contemplated

hereby, except where such information is known or available through other lawful, publicly available sources or if such party is advised by counsel that its disclosure is required in accordance with applicable law, in which case the party required to make such disclosure shall use reasonable efforts to notify the other party prior to making such disclosure.

(b) On and after the Closing Date, Cascade and its affiliates will hold, and will use their best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning Journal, Journal's affiliates and the operation of the Station. Journal and its affiliates will hold, and will use their best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, (i) at all times, all confidential documents and information concerning Cascade or its affiliates and (ii) prior to the Closing, all confidential documents and information concerning the operation of the Station.

4.5 Announcements. Prior to Closing, no party shall, without the prior consent of the other (such consent not to be unreasonably withheld or delayed), issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law or the rule of any stock exchange binding upon such party, in which case such party shall give advance notice to the other.

4.6 Risk of Loss.

(a) Cascade shall bear the risk of any casualty loss, damage or destruction to any of the Station Assets prior to the Closing Date, and Cascade shall be responsible for repairing or replacing (as appropriate under the circumstances) any lost, damaged or destroyed Station Asset, and Journal shall bear the risk of any casualty loss, damage or destruction to any of the Station Assets on and subsequent to the Closing Date.

(b) If prior to the Closing Date any item of Tangible Personal Property is damaged or destroyed in any material respect, then Cascade shall promptly give Journal written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Cascade shall use its commercially reasonable efforts to commence promptly and thereafter to proceed diligently to repair or replace any such lost, damaged or destroyed property, such efforts to include the payment of any applicable insurance policy deductibles. However, in the event that such repair or replacement is not fully completed prior to the Closing Date, then Journal may elect to (i) consummate the transactions contemplated hereby on the Closing Date, in which event Cascade shall assign to Journal the portion of the insurance proceeds, if any, not previously expended by the Cascade to repair or replace the damaged or destroyed property and the Purchase Price shall be reduced by any amount in excess of such insurance proceeds reasonably necessary to complete such repair or replacement, or (ii) delay the Closing Date until 15 days after Cascade gives written notice to Journal of completion of the repair or replacement of the damaged or destroyed property; provided that if Cascade is unable through its commercially reasonable efforts to complete such repair or replacement within 60 days after the casualty, Journal may then terminate this Agreement. Notwithstanding the foregoing, Cascade

shall not be obligated to repair or replace the Station's Tucson studios which are the subject of the Studio Lease which Journal is not assuming under this Agreement.

(c) If the Station (either Channel 58 or Channel 44) goes off the air or experiences any impairment prior to Closing (except if required by the FCC in connection with the DTV Transition as that term is commonly used in the broadcast industry), then Cascade shall use commercially reasonable efforts to return the Station to the air or restore coverage as promptly as practicable in the ordinary course of business.

#### 4.7 Environmental.

(a) Journal may at its expense conduct Phase I Environmental Site Assessment Report prepared consistent with ASTM Standard 1527-00 environmental reviews within 45 days of the date of this Agreement, and if reasonably recommended by the consultant who performs that Phase I review, Phase II environmental reviews within 90 days of the date of this Agreement (the Phase I and Phase II reviews being collectively referred to as the "*Environmental Reviews*"), of the Real Property.

(b) If any such Environmental Review discloses (i) a material violation of, or material condition that, if disclosed to the appropriate governmental authority, Journal or Cascade would reasonably be expected to be required to remediate under applicable Environmental Laws or (ii) the existence of any Hazardous Materials, other than those not in violation of any Environmental Law at any of the Real Property, then Cascade shall remediate such conditions in all material respects prior to Closing, provided that if Cascade is unable through its commercially reasonable best efforts to complete such remediation within 60 days after the date of Cascade's receipt of the Environmental Review, Journal may then terminate this Agreement, and provided further that if the estimated cost of such remediation shall exceed the sum of \$25,000, Cascade may, at its sole option, terminate this Agreement without any liability of any kind to Journal.

#### 4.8 Consents.

(a) The parties shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any Station Contract. Receipt of consent to assign to JBG the Station Contracts designated with a "\*" on Schedule 1.1(c) or Schedule 1.1(d) (the "*Required Consents*") is a condition precedent to Journal's obligation to close under this Agreement. For purposes of this provision, the term "commercially reasonable efforts" does not include the payment of consideration (other than payment of an unpaid amount currently due on such Station Contract or payment of amounts specifically contemplated by such Station Contract, but not including any Deferred Sums unless required to be paid by Cascade upon a sale of the Station) to any party in order to obtain such Required Consent.

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Cascade and Journal shall cooperate to the extent feasible in effecting a lawful and commercially reasonable

arrangement under which Journal shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Journal shall pay and perform Cascade's obligations arising under the Station Contract from and after Closing in accordance with its terms.

4.9 Employee Matters. Journal is not obligated to offer employment to any Station Employee, although it may interview and offer employment to Station Employees should it choose to do so, in its sole discretion, on employment terms and conditions determined in its sole discretion. Cascade shall be responsible for and shall pay any compensation or liability under any employee benefit plan sponsored by Cascade or its affiliates and any liability for unpaid, accrued vacation that may be due to any Station Employee.

4.10 Notification. Each party shall notify the other party of the initiation or threatened initiation of any litigation, arbitration or administrative proceeding that challenges the transactions contemplated hereby, including any challenges to the FCC Application or appeals of the grant of such application. Each party shall give detailed written notice to the other promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to the notifying party on or before the date of this Agreement, of any of such party's representations, warranties or covenants contained in this Agreement. Any such notice, similar informal notice, or independent investigation, examination, or other source of knowledge regarding a breach of representations and warranties contained herein shall not in any way diminish or obviate any representations or warranties made in this Agreement, or be deemed a waiver of such representation and warranty.

4.11 Cooperation; Further Assurances. Subject to express limitations contained elsewhere herein, each party (a) shall cooperate fully with one another in taking any reasonable actions (including reasonable actions to obtain the required waiver and consent of any governmental authority or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including the prompt satisfaction of any condition to Closing set forth herein, and (b) shall not take any action that conflicts with its obligations under this Agreement, or that causes its representations and warranties hereunder to become untrue. After Closing, Cascade shall from time to time, at the request of and without further cost or expense to Journal, execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

4.12 No Shop. From the date hereof until the earlier of Closing or termination of this Agreement, neither Cascade nor any affiliate, agent or representative of Cascade shall directly or indirectly (a) solicit, initiate or encourage submission or accept any proposal or offer from any person or entity relating to any acquisition or purchase of any material asset of the Station (each an "*Acquisition Proposal*"), or (b) participate in any discussions or negotiations regarding, furnish to any person or entity any information with respect to, or otherwise assist, facilitate, encourage or participate in or cooperate with, any effort or attempt by any person or entity to make or effect an Acquisition Proposal.

#### 4.13 Payment of Retained Obligations.

(a) At Closing, Tucson LLC shall (i) pay in full or otherwise satisfy, make adequate provision for the payment in full or satisfaction of, or obtain releases reasonably satisfactory to Journal from, all creditors of Tucson LLC other than those creditors that are members of Tucson LLC or CBG; (ii) obtain releases in the form attached hereto as Exhibit B-1 from all creditors of Tucson LLC that are members of Tucson LLC or CBG, including those members holding the Member Notes Payable and (iii) obtain a release in the form attached hereto as Exhibit B-2 from CBG (collectively with the releases under Subsection (ii), the “*Member Releases*”).

(b) At Closing, CBG shall pay in full or otherwise satisfy, make adequate provision for the payment in full or satisfaction of, or obtain releases reasonably satisfactory to Journal from, all creditors of CBG for indebtedness relating to the Station Assets to be conveyed to Journal under this Agreement.

(c) Neither CBG nor Tucson LLC shall dissolve, or make any distribution of the proceeds received pursuant to this Agreement, until (i) Tucson LLC has paid in full or otherwise satisfied, made adequate provision for payment in full or satisfaction of or obtained releases from the creditors of Tucson LLC as provided in **Section 4.13(a)** above and (ii) CBG has paid in full or otherwise satisfied, made adequate provision for payment in full or satisfaction of or obtained releases from the creditors of CBG as provided in **Section 4.13(b)** above.

#### 4.14 Collection of A/R.

(a) On the Closing Date, Cascade shall designate Journal as its agent solely for purposes of collecting the A/R on behalf of Cascade. Cascade shall deliver to Journal on the Closing Date a complete and detailed statement of the A/R. Journal shall use commercially reasonable efforts to collect the A/R during the period beginning on the Closing Date and ending on the last day of the fifth full calendar month following the Closing Date (the “*Collection Period*”) consistent with Journal’s practices for collection of its accounts receivables; provided, however, that such efforts shall not include hiring attorneys or collection agencies to collect such A/R. Any payment received by Journal at any time following the Closing Date from a customer of the Station that was a customer of the Station prior to the Closing Date and (i) that is obligated with respect to any A/R and (ii) that is not designated as a payment of a particular invoice or invoices or as a security deposit or other prepayment, shall be applied to the accounts receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be an A/R, deposited into an account identified by Cascade in accordance with **Section 4.14(b)**, provided further, however, that if, prior to the Closing Date, Cascade or, after the Closing Date, Cascade or Journal received or receives a written notice of dispute from a customer with respect to an A/R that has not been resolved, then Journal shall apply any payments from such customer to such customer’s oldest, non-disputed accounts receivable, whether or not an A/R. Journal shall promptly provide Cascade with a copy of any such written notices of dispute. Journal shall incur no liability to any Cascade for any collected or uncollected A/R.

(b) On or before the 20th day of the calendar month immediately following each calendar month in the Collection Period, Journal shall deposit into the following account: Tucson Communications, LLC, Wells Fargo Bank, Spokane, WA, Acct # 7451253913, Routing # 121000248, or into any other account identified by Cascade at the time of the Closing the amounts collected during the preceding calendar month with respect to the A/R. Journal shall be entitled to offset from any amounts collected pursuant to this **Section 4.14** any amounts payable to Journal pursuant to **Section 1.6**, provided that Journal shall not deduct from, or offset or withhold, any monies received by Journal that are to be deposited in the Cascade's account unless (i) such desired action relates only to an adjustment in its favor contemplated under **Section 1.6** hereof, (ii) Journal shall first have given Cascade written notice; and (iii) Journal shall not have received any written objection from Cascade within 5 days of Cascade's receipt of Journal's written notice. Notwithstanding any such deduction, offset or withholding, Cascade reserves the right to contest such action under the procedures established in **Section 1.6**.

(c) Following the expiration of the Collection Period, Journal shall have no further obligations under this **Section 4.14**, except that Journal shall pay over to Cascade within five business days any amounts subsequently received by Journal with respect to any A/R and Cascade may thereafter undertake its own collection efforts, including the direct solicitation of customers owing the A/R.

(d) During the Collection Period, neither Cascade nor any of its agents, without the consent of Journal, shall make any direct solicitation of any customers owing the A/R; provided, that in the event Cascade, at any time during the Collection Period, receives in its Liberty Lake Office cash management lockboxes a payment on an A/R that belongs to Cascade, Cascade shall immediately notify Journal of such collection but Cascade shall not be obligated to remit such collection to Journal. However, in the event Cascade receives in its cash management lockboxes a payment on an accounts receivable that belongs to Journal, Cascade shall immediately notify Journal of such collection and shall remit such collection to Journal within five business days.

4.15 Transition Services. To facilitate a smooth transition, at Journal's request, Cascade agrees to provide to Journal those services that Cascade currently provides to the Station out of the facilities in Louisville, Kentucky (for example, those services relating to master control operations, traffic interfacing and automation systems) the particulars of which are set forth in Schedule 4.15 for the Transition Period. The "*Transition Period*" shall be for a period of 30 days from the Closing Date, subject to extension by Journal for three additional 30-day periods upon written notice to Cascade. Cascade shall provide the services at no charge to Journal for the initial 30 days of the Transition Period. Any extended period following the initial 30-day period shall be at the charge set forth in Schedule 4.15.

## **ARTICLE 5**

### **CASCADE CLOSING CONDITIONS**

The obligation of Cascade to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Cascade):

5.1 Representations and Covenants.

(a) The representations and warranties of Journal made in this Agreement (i) qualified by a materiality qualification, including the words “material,” “in all material respects” or like words, shall be true and correct in all respects and (ii) that are not qualified by a materiality qualification, including the words “material,” “in all material respects” or like words, shall be true and correct in all material respects, in each case, as of the date of this Agreement and as of the Closing Date as though made on the Closing Date (except that such representations and warranties that expressly relate to an earlier date need be true and correct, or true and correct in all material respects, as the case may be, only as of such earlier specified date).

(b) The covenants and agreements to be complied with and performed by Journal at or prior to Closing shall have been complied with or performed in all material respects.

(c) Cascade shall have received a certificate dated as of the Closing Date from Journal executed by an authorized officer of Journal to the effect that the conditions set forth in **Section 5.1(a)** and **Section 5.1(b)** have been satisfied.

5.2 Proceedings. There shall be no suit, action, claim, investigation, inquiry or proceeding instituted or threatened or an order, decree or judgment of any court, arbitrator, agency or governmental authority rendered which (i) questions the validity or legality of any transactions contemplated hereby, (ii) seeks to enjoin any transactions contemplated hereby, (iii) seeks material damages on account of the consummation of any transaction contemplated hereby or (iv) is a petition of bankruptcy by or against Journal or is an assignment by Journal for the benefit of creditors.

5.3 FCC Authorization. The FCC Consent shall be in full force in effect and shall have become a Final Order and shall contain no provision materially adverse to Cascade.

5.4 Deliveries. Journal shall have complied with its obligations set forth in **Section 7.2.**

**ARTICLE 6**  
**JOURNAL CLOSING CONDITIONS**

The obligation of Journal to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Journal):

6.1 Representations and Covenants.

(a) The representations and warranties of Cascade made in this Agreement (i) qualified by a materiality qualification, including the words “material,” “in all material respects” or like words, shall be true and correct in all respects and (ii) that are not qualified by a materiality qualification, including the words “material,” “in all material respects” or like words, shall be true and correct in all material respects, in each case, as of the date of this Agreement and as of the Closing Date as though made on the Closing Date (except that such representations

and warranties that expressly relate to an earlier date need be true and correct, or true and correct in all material respects, as the case may be, only as of such earlier specified date).

(b) The covenants and agreements to be complied with and performed by Cascade at or prior to Closing shall have been complied with or performed in all material respects.

(c) Journal shall have received a certificate dated as of the Closing Date from Cascade executed by an authorized officer of Cascade to the effect that the conditions set forth in **Section 6.1(a)** and **Section 6.1(b)** have been satisfied.

6.2 Proceedings. There shall not be any suit, action, claim, investigation, inquiry, proceeding or litigation instituted, commenced, pending or threatened or an order, decree or judgment of any court, arbitrator, agency or governmental authority rendered that would or that seeks or is reasonably likely to (i) question the validity or legality of any transactions contemplated hereby, (ii) restrain, enjoin, prevent, prohibit or make illegal any transactions contemplated hereby, (iii) impose damages on account of the consummation of any transactions contemplated hereby in an amount that is material in relation to the transactions contemplated hereunder, (iv) result in a petition of bankruptcy by or against Cascade or an assignment by Cascade for the benefit of creditors, (v) as a result of the transactions contemplated hereby, compel Journal or any of its affiliates to dispose of any Station Assets, (vi) impose limitations on the ability of Journal effectively to exercise full rights of ownership of the Station subject to the Communications Act and the FCC's published rules, regulations and policies, or (vii) restrain, enjoin, prevent, prohibit or make illegal, or impose material limitations on, Journal or any of its affiliates' ownership or operation of all or any portion of the Station Assets.

6.3 FCC Authorization. The FCC Consent shall be in full force in effect and shall have become a Final Order and shall contain no provision materially adverse to Journal or Journal's prospective operation of the Station; provided, that any condition or conditions imposed by the FCC that require Journal to implement any programming commitment expressly made by Journal in the FCC Application as originally filed or as amended shall not be deemed to be a material adverse provision under this **Section 6.3**.

6.4 Operation of Station. During the 5 business days immediately preceding what would otherwise be the date on which the Closing would occur, the Station (both Channel 58 or Channel 44) shall be on the air and operating without a material reduction in coverage (except if required by the FCC in connection with the DTV Transition as that term is commonly used in the broadcast industry).

6.5 Undisclosed Liabilities. There shall not be any liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, relating to the Station, except for (i) those liabilities reflected or reserved against in the Financial Statements, (ii) current liabilities incurred in the ordinary course of business of the Station since December 31, 2007, (iii) those liabilities that Journal has expressly assumed under this Agreement and (iv) liabilities that will be paid off, released or assumed by Guarantor at or prior to the Closing.

6.6 Required Consents; Estoppel Certificates. The Required Consents shall have been obtained. With respect to those Station Contracts identified on Schedule 6.6(a), the parties shall have received (i) consent to assign from the other party thereto in a form mutually acceptable to Cascade, Journal and the other party thereto or (ii) Journal shall have entered into new contracts with such parties to take effect and supersede such Station Contracts at the Closing. With respect to those Station Contracts identified on Schedule 6.6(b), Cascade shall have delivered to Journal an estoppel certificate executed by the other party to the Station Contracts as further set forth in Schedule 6.6(b).

6.7 The CW Television Network. The CW Television Network shall be in operation and shall not have announced plans to shut down or dissolve, and the Station shall be airing The CW Television Network programming.

6.8 Deliveries. Cascade shall have complied with its obligations set forth in **Section 7.1.**

## **ARTICLE 7** **CLOSING DELIVERIES**

7.1 Cascade Documents. At Closing, Cascade shall deliver or cause to be delivered to Journal:

- (a) good standing certificates issued by the Secretaries of State of Tucson LLC and CBG's jurisdictions of formation;
- (b) certified copies of resolutions of Tucson LLC and CBG's members and/or managers, as the case may be, authorizing Tucson LLC and CBG's execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (c) the certificate described in **Section 6.1(c)**;
- (d) an assignment of FCC licenses assigning the FCC Licenses from Cascade to JBC substantially in the form of Exhibit C-1;
- (e) an assignment and assumption agreement assigning the Station Contracts from Cascade to JBC and JBG substantially in the form of Exhibit C-2;
- (f) an assignment and assumption of leases assigning the Real Property Leases from Cascade to JBG substantially in the form of Exhibit C-3;
- (g) an assignment of marks assigning the Station's registered marks listed on Schedule 1.1(e) from Cascade to JBG substantially in the form of Exhibit C-4;
- (h) domain name transfers assigning the Station's domain names listed on Schedule 1.1(e) from Cascade to JBG following customary procedures of the domain name administrator;

- (i) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Cascade to JBG;
- (j) a bill of sale conveying the other Station Assets from Cascade to JBG substantially in the form of Exhibit C-5;
- (k) joint instructions to the Escrow Agent;
- (l) opinions of Cascade's California corporate counsel and Cascade's Arizona corporate counsel substantially in the form of Exhibit C-6 and Exhibit C-7, respectively;
- (m) the CDBS and other FCC database account log-in and password information for the Station;
- (n) evidence, reasonably satisfactory to Journal, that the creditors of Cascade, other than those creditors that are members of Cascade and those program rights entities whose Deferred Sums will be assumed by Journal, have been paid in full or will be paid in full, released or assumed by Guarantor by or at the Closing;
- (o) the duly executed Member Releases;
- (p) written consents from any party that is a secured party identified on any mortgage, deed of trust, or UCC-1 Financing Statement of record with respect to the Station or the Station Assets, agreeing to amendment or termination of the Liens other than Permitted Liens;
- (q) such instruments of amendment, termination or release of Liens other than Permitted Liens, all in form and substance reasonably satisfactory to counsel for Journal, as are necessary to discharge any Liens other than Permitted Liens and vest in Journal good and marketable title in and to the Station Assets; and
- (r) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Cascade to Journal, free and clear of Liens, except for Permitted Liens.

7.2 Journal Documents. At Closing, Journal shall deliver or cause to be delivered to Cascade:

- (a) the Purchase Price in accordance with **Section 1.4** hereof;
- (b) a certificate of status for JBG issued by the Wisconsin Department of Financial Institutions and a certificate of good standing for JBC issued by the Nevada Secretary of State;
- (c) certified copies of resolutions of JBC and JBG's board of directors authorizing JBC and JBG's execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

- (d) the certificate described in **Section 5.1(c)**;
- (e) an assignment and assumption agreement assuming the Station Contracts substantially in the form of Exhibit C-2;
- (f) an assignment and assumption of leases assuming the Real Property Leases substantially in the form of Exhibit C-3;
- (g) domain name transfers assuming the Station's domain names listed on Schedule 1.1(e) following customary procedures of the domain name administrator; and
- (h) joint instructions to the Escrow Agent; and
- (i) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

## **ARTICLE 8**

### **SURVIVAL; INDEMNIFICATION**

8.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of 24 months from the Closing Date whereupon they shall expire and be of no further force or effect, except that (a) the representations and warranties set forth in **Section 2.6** (Taxes), **Section 2.10** (Environmental), **Section 2.20** (No Finder) and **Section 3.5** (No Finder), which shall survive indefinitely and (b) the provisions in **Section 2.4** (FCC Licenses), **Section 2.7** (Personal Property), **Section 2.8** (Real Property) and **Section 2.18(a)** (Title to Station Assets), but only relating to title to FCC Licenses, Personal Property, Real Property and Station Assets, each of which shall survive indefinitely, including, in each case, the indemnification obligations with respect to such provisions but only relating to title. The covenants and agreements in this Agreement shall survive Closing until performed. Notwithstanding the foregoing, any covenant, agreement, representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the foregoing, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time. With the exception of fraud, under no circumstances shall the total obligations of either Cascade (Tucson LLC and CBG in the aggregate) or Journal (JBC and JBG in the aggregate) under **Sections 8.2(a)(i)-(iii)** or **8.2(b)(i)-(iii)**, as the case may be, exceed the sum of \$3,036,250. For the avoidance of any doubt, with the exception of fraud, under no circumstances shall the total obligations of Guarantor for Cascade's performance of its obligations under **Sections 8.2(a)(i)-(iii)** exceed the sum of \$3,036,250.

#### 8.2 Indemnification.

(a) Subject to the limitations set forth in **Section 8.1**, from and after Closing, Cascade shall defend, indemnify and hold harmless Journal from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("*Damages*") incurred by Journal arising out of or resulting from:

(i) any breach by Cascade of its representations and warranties made under this Agreement, any Cascade Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto;

(ii) any breach or non-performance by Cascade of any covenant or agreement made under this Agreement or any Cascade Ancillary Agreement;

(iii) the business or operation of the Station on or before the Closing Date; or

(iv) the Retained Obligations.

(b) Subject to the limitations set forth in **Section 8.1**, from and after Closing, Journal shall defend, indemnify and hold harmless Cascade from and against any and all Damages incurred by Cascade arising out of or resulting from:

(i) any breach by Journal of its representations and warranties made under this Agreement, any Journal Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto;

(ii) any breach or non-performance by Journal of any covenant or agreement made under this Agreement or any Journal Ancillary Agreement;

(iii) the business or operation of the Station after the Closing Date; or

(iv) the Assumed Obligations.

### 8.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "*Claim*"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a written release from all liability in respect of such Claim;

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim; and

(iv) if Journal is the indemnified party and has the right to seek indemnification from Tucson LLC, CBG and/or the Guarantor, Journal shall be entitled to seek indemnification from CBG only if and after the requisite indemnification from Tucson LLC and/or the Guarantor has not been met.

## **ARTICLE 9**

### **TERMINATION AND REMEDIES**

9.1 **Termination.** Subject to **Section 10.3**, this Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Journal and Cascade;

(b) by written notice of Journal to Cascade (i) if Cascade is in material breach of any representation, warranty, covenant or agreement and such breach is not cured within the Cure Period (defined below) or (ii) if Cascade is in breach of any representation, warranty, covenant or agreement or if any representation or warranty of Cascade has become untrue, in either case such that the condition set forth in **Section 6.1** would not be satisfied, unless such breach or untruth can be cured prior to Closing and Cascade is proceeding in good faith to cure such breach or untruth as promptly as practicable; provided that in the case of either subsection (i) or subsection (ii), any breach or default of this Agreement by Cascade shall be deemed to have been timely cured, for the purposes of this **Section 9.1(b)** only, (A) if the Damages that Journal suffers or incurs or may reasonably be expected to suffer or incur as a result of such breach or default can be readily compensated by a certain sum of money and Cascade agrees in writing to pay to Journal at Closing an amount equal to such certain sum of money, or (B) if such breach or default arises from the failure to list a contract in Schedule 1.1(d), in which such case, such contract shall be a specifically enumerated Excluded Asset and any liabilities or obligations under such contract shall be Retained Obligations.

(c) by written notice of Cascade to Journal (i) if Journal is in material breach of any representation, warranty, covenant or agreement and such breach is not cured within the Cure Period or (ii) if Journal is in breach of any representation, warranty, covenant or agreement or if any representation or warranty of Journal has become untrue, in either case such that the condition set forth in **Section 5.1** would not be satisfied, unless such breach or untruth can be cured prior to Closing and Journal is proceeding in good faith to cure such breach or untruth as

promptly as practicable; provided that in the case of either subsection (i) or subsection (ii), any breach or default of this Agreement by Journal shall be deemed to have been timely cured, for the purposes of this **Section 9.1(c)** only, if the Damages that Cascade suffers or incurs or may reasonably be expected to suffer or incur as a result of such breach or default can be readily compensated by a certain sum of money and Journal agrees in writing to pay to Cascade at Closing an amount equal to such certain sum of money;

(d) by written notice of Cascade to Journal, or of Journal to Cascade, if there shall be in effect any final judgment, decree or order that would prevent or make unlawful the Closing or if the FCC denies the FCC Application or designates that application for a trial-type hearing;

(e) by Journal, as provided for in **Section 4.6(b)**;

(f) by Journal or Cascade, as provided for in **Section 4.7(b)**; or

(g) by written notice of Cascade to Journal or Journal to Cascade if Closing does not occur by the date that is 12 months after the date of this Agreement (the “*Outside Date*”).

9.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term “*Cure Period*” as used herein means a period commencing on the date Journal or Cascade receives from the other written notice of breach or default hereunder and continuing until the earlier of (a) 15 calendar days thereafter or (b) five business days after the scheduled Closing Date, unless in either case such breach or default is deemed cured under **Section 9.1(b)** or **Section 9.1(c)**, as the case may be. Nothing in this **Section 9.2** shall be interpreted to extend the Outside Date.

9.3 Survival. Neither party may terminate under **Section 9.1(b)** or **Section 9.1(c)** if it is then in uncured material breach or default under this Agreement. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, **Section 1.5** (Deposit), **Section 4.4** (Confidentiality), this **Article 9** (Termination and Remedies) and **Section 10.1** (Expenses) shall survive any termination of this Agreement.

9.4 Specific Performance. Cascade acknowledges and agrees that the Station Assets are unique assets not readily available on the open market, and in the event Cascade fails to perform its obligations to consummate the transactions contemplated hereby, monetary damages alone cannot adequately compensate Journal for its injury. Journal therefore shall be entitled in such event to seek against Cascade specific performance of the terms of this Agreement and of Cascade’s obligation to consummate the transactions contemplated hereby. Prior to Closing, Journal’s right to seek specific performance against Cascade shall be Journal’s only remedy. In any action by Journal against Cascade to specifically enforce the terms of this Agreement, Cascade shall waive any and all defenses that there is an adequate remedy at law or equity, and, as a condition to seeking specific performance, Journal shall not be required to have tendered the Purchase Price, but shall be ready, willing and able to do so. In addition, Cascade agrees that Journal shall have the right to obtain specific performance of the terms of this Agreement

without being required to prove actual damages, post bond or furnish other security. In the event Journal prevails in any such action for specific performance, Journal shall also be entitled to payment of reasonable attorneys' fees as provided for in **Section 10.9** of this Agreement. For the avoidance of any doubt, following the Closing, Journal's remedies shall be limited to specific performance, indemnification pursuant to **Article 8** and enforcement of the Guaranty under **Article 11**.

9.5 Escrow Deposit. For purposes of clarity, the Escrow Deposit shall not constitute liquidated damages under this Agreement. If Journal shall wrongfully terminate this Agreement or wrongfully refuse timely to consummate the transactions contemplated hereunder, Cascade shall have the right to sue Journal for damages, but not for specific performance, in the federal and state courts in the State of Arizona subject to **Section 10.8**; provided that Journal shall in no event have liability for indirect, consequential, punitive or special damages; provided further that notwithstanding the immediately preceding proviso, Cascade shall have the right to seek such damages as (a) the difference between the contract price specified in this Agreement and the price at which the Station eventually sells for and (b) the losses suffered by Cascade in continuing to own and operate the Station between the date that would have otherwise been the Closing Date under this Agreement and the closing of the sale of the Station to a third party; provided further that, notwithstanding anything in this **Section 9.5** to the contrary, Journal shall not be obligated to pay any damages, individually or in the aggregate, in excess of the Purchase Price.

## **ARTICLE 10** **MISCELLANEOUS**

10.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to any requests for the FCC Consent and any other governmental consents shall be remitted by the party upon whom the applicable governmental authority imposes the fee or charge but shall, in the end, be shared equally between the parties. Cascade shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement.

10.2 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

10.3 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Cascade:

c/o National Television Investments, L.L.C.  
P. O. Box 37  
Kentfield, CA 94914  
Attention: Gregory W. Kunz

Facsimile: (415) 925-6501

with copies (which shall not constitute notice) to:

Pillsbury Winthrop Shaw Pittman LLP  
2300 N Street, N.W.  
Washington, DC 20037  
Attention: Richard R. Zaragoza, Esq.  
Clifford M. Harrington, Esq.  
Facsimile: (202) 663-8264

If to Journal:

c/o Journal Communications, Inc.  
333 West State Street  
Milwaukee, Wisconsin 53203  
Attention: Douglas G. Kiel  
Facsimile: (414) 967-5297

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

Leventhal Senter & Lerman PLLC  
2000 K Street, N.W., Suite 600  
Washington, DC 20006 1809  
Attention: Meredith S. Senter, Jr., Esq.  
Facsimile: (202) 293-7783

10.4 Amendments; Waiver. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. No failure or delay on the part of Cascade or Journal in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

10.5 Entire Agreement. This Agreement (including the schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof which shall have no further force and effect as of the date of this Agreement.

10.6 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

10.7 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

10.8 Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement, other than **Article 11**, shall be governed and interpreted by the laws of the State of Arizona without giving effect to the choice of law provisions thereof. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in the State of Arizona, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. THE EXCLUSIVE CHOICE OF FORUM FOR THE PARTIES SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT BY A PARTY OF ANY JUDGMENT OBTAINED IN ARIZONA IN ANY OTHER FORUM TO THE EXTENT SUCH FORUM HAS JURISDICTION FOR THE TAKING OF ANY ACTION TO ENFORCE THE SAME, AND THE PARTIES HEREBY WAIVE THE RIGHT TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION. CASCADE AND JOURNAL HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Cascade and Journal hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

10.9 Attorneys' Fees. Except as otherwise provided herein or therein, in the event of any dispute between or among the parties to this Agreement or the Escrow Agreement, the non-prevailing party or parties shall reimburse the prevailing party for its reasonable attorneys' fees and other reasonable costs incurred in enforcing its rights or exercising its remedies under this Agreement, or the Escrow Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing party may have under this Agreement or the Escrow Agreement.

10.10 Neutral Construction. Journal and Cascade agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Journal and Cascade, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

10.11 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

10.12 Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

10.13 Terms Generally. The term "or" is disjunctive; the term "and" is conjunctive. The term "shall" is mandatory; the term "may" is permissive. Masculine terms apply to females; feminine terms apply to males. The term "include," "includes" or "including" is by way of example and not limitation.

10.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile or other electronically delivered copies of signature pages to this Agreement, any Cascade Ancillary Agreement, any Journal Ancillary Agreement or any other document or instrument delivered pursuant to this Agreement shall be treated as between the parties as original signatures for all purposes, notwithstanding that the original copy bearing the party's original signature and used to generate the facsimile or other copy transmission is not delivered.

## **ARTICLE 11** **GUARANTY**

11.1 Guaranty. Guarantor represents to Journal that Guarantor has a direct or indirect ownership or other financial interest in Cascade and/or will otherwise derive a material financial benefit from the transactions contemplated by this Agreement. Therefore, in order to induce Journal to enter into this Agreement, and in consideration thereof, Guarantor for himself and for his successors and assigns hereby unconditionally guarantees to Journal, its successors and assigns, the full performance of the obligations of Cascade under this Agreement (the "*Obligations*"), whether secured or unsecured and whether before or after the occurrence of bankruptcy, insolvency, reorganization, arrangement, receivership or similar proceeding, and including, without limitation, all post-petition interest, at the applicable default rate or rates, whether or not allowed as a claim in any such proceeding, and the payment of all costs and expenses incurred by Journal in enforcing the Obligations (the "*Guaranty*"). Nothing except the full performance of the Obligations shall release Guarantor from the Guaranty.

11.2 Guarantor's Representations and Warranties. Guarantor represents, warrants and agrees that: (a) the Guaranty is a legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms; (b) the Guaranty does not conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Guarantor is subject; (c) Guarantor has previously provided materially correct and complete financial statements to Journal that accurately and fairly present the Guarantor's financial condition; (d) Guarantor's state of residence of California; and (e) Guarantor is a single individual.

### 11.3 Waivers by Guarantor.

(a) Guarantor waives, to the fullest extent allowed by applicable law:

(i) all of Guarantor's rights under Sections 12-1641, 12-1642, 12-1643, 12-1644, 44-141, 44-142 and 47-3605 of Arizona Revised Statutes, and Rule 17(f) of the Arizona Rules of Civil Procedure, as now in effect or as modified or amended in the future. Guarantor's obligations under this Article 11 may be enforced by Journal in an action regardless of whether a trustee's sale is held;

(ii) any and all benefits and defenses under California Civil Code Section 2810 and agrees that by doing so Guarantor shall be liable under the Guaranty

even if Cascade had no liability at the time of execution of this Agreement or thereafter ceases to be liable;

(iii) any and all benefits and defenses under California Civil Code Section 2809 and agrees that by doing so Guarantor's liability may be larger in amount and more burdensome than that of Cascade;

(iv) the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this **Article 11** and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this **Article 11**, which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower;

(v) the benefits of any right of discharge under any and all statutes or other laws relating to a guarantor, a surety or a borrower, and any other rights of a surety, a guarantor or a borrower under such statutes or laws;

(vi) diligence in collecting, presentment, demand for payment, protest, all notices with respect to this **Article 11** which may be required by statute, rule of law or otherwise to preserve Journal's rights against Guarantor under this **Article 11**, including notice of acceptance, notice of any amendment of the Agreement, notice of the occurrence of any default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, and notice of the incurring by Cascade of any obligation or indebtedness; and

(vii) all rights to cause a marshalling of Cascade's assets or to require Journal to (i) proceed against Cascade, (ii) proceed against any member of Cascade, (iii) proceed against or exhaust any collateral held by Journal to secure the repayment or performance of the Obligations, or (iv) pursue any other remedy it may now or hereafter have against Cascade or any member of Cascade, including any and all benefits under California Civil Code Sections 2845, 2849 and 2850.

(b) Guarantor hereby expressly agrees that the waiver of any rights by Journal against Cascade, arising out of defaults by Cascade or otherwise, shall not in any way modify or release the obligations of Guarantor. Journal shall not be required to proceed first against the Cascade or any other person or entity before resorting to Guarantor for payment or performance.

11.4 California Waiver Provisions. To the extent that any special California provision in this **Section 11.4** is inconsistent with any other provision of this **Article 11**, the provisions set forth below shall control.

(a) Guarantor understands that the exercise by Journal of certain rights and remedies contained in the Agreement may affect or eliminate Guarantor's right of subrogation against Cascade and that Guarantor may therefore incur a partially or totally nonreimbursable liability under this **Article 11**. Nevertheless, Guarantor hereby authorizes and empowers Journal to exercise, in its sole and absolute discretion, any right or remedy, or any combination thereof, which may then be available, since it is the intent and purpose of Guarantor that the obligations under this Guaranty shall be absolute, independent and unconditional under any and all

circumstances. Guarantor expressly waives any defense (which defense, if Guarantor had not given this waiver, Guarantor might otherwise have) to a judgment against Guarantor by reason of a nonjudicial foreclosure. Without limiting the generality of the foregoing, Guarantor hereby expressly waives any and all benefits under:

(i) California Code of Civil Procedure Sections 580b and 580d (which Sections, if Guarantor had not given this waiver, would otherwise limit Journal's right to recover a deficiency judgment with respect to purchase money obligations and after nonjudicial foreclosure sale, respectively); and

(ii) California Code of Civil Procedure Section 726 (which Section, if Guarantor had not given this waiver, among other things, would otherwise require Journal to exhaust all of its security before a personal judgment could be obtained for a deficiency).

(b) In accordance with Section 2856 of the California Civil Code, Guarantor also waives any right or defense based upon an election of remedies by Journal, even though such election destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor (after payment of the obligations guaranteed by Guarantor under this **Article 11**) to proceed against Cascade for reimbursement, or both, by operation of Section 580d of the California Code of Civil Procedure or otherwise.

(c) In accordance with Section 2856 of the California Civil Code, Guarantor waives any and all other rights and defenses available to Guarantor by reason of Sections 2787 through 2855, inclusive, of the California Civil Code, including any and all rights or defenses Guarantor may have may have by reason of protection afforded to Cascade with respect to any of the obligations of Guarantor under this **Article 11** pursuant to the antideficiency or other laws of the State of California limiting or discharging Cascade's obligations, including Section 580a, 580b, 580d and 726 of the California Code of Civil Procedure.

(d) In accordance with Section 2856 of the California Civil Code, Guarantor agrees to withhold the exercise of any and all subrogation and reimbursement rights against Cascade, against any other person, and against any collateral or security for the Obligations, including any such rights pursuant to Sections 2847, 2848 and 2849 of the California Civil Code, until the Obligations have been indefeasibly paid and satisfied or performed in full and all obligations owed to Journal under this **Article 11** have been fully performed. At his option, the Guarantor shall have the right to become a subordinated creditor to any claims Journal may have against Cascade.

11.5 No Modifications/Waivers Without Guarantor's Written Consent. None of CBG, Tucson LLC, JBC or JBG shall amend or otherwise modify this Agreement or any Schedules or Exhibits, or waive any of their respective rights under this Agreement, without the prior written consent of the Guarantor.

11.6 Guaranty Governing Law; Waiver of Jury Trial. The construction and performance of this **Article 11** shall be governed and interpreted by the laws of the State of California without giving effect to the choice of law provisions of the State of California or the

State of Arizona. The exclusive forum for the resolution of any disputes arising under this **Article 11** shall be the federal or state courts located in the State of Arizona, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. THE EXCLUSIVE CHOICE OF FORUM FOR THE PARTIES SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT BY A PARTY OF ANY JUDGMENT OBTAINED IN ARIZONA IN ANY OTHER FORUM TO THE EXTENT SUCH FORUM HAS JURISDICTION FOR THE TAKING OF ANY ACTION TO ENFORCE THE SAME, AND THE PARTIES HEREBY WAIVE THE RIGHT TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION. GUARANTOR AND JOURNAL HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS **ARTICLE 11**, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Guarantor and Journal hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this **Article 11** and that their lawyers have fully explained the meaning of this **Article 11**, including in particular the jury-trial waiver.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO KWBA(TV) ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

**JOURNAL BROADCAST CORPORATION**

By: \_\_\_\_\_  
Douglas G. Kiel  
Vice President

**JOURNAL BROADCAST GROUP, INC.**

By: \_\_\_\_\_  
Douglas G. Kiel  
Vice Chairman and Chief Executive Officer

**CASCADE BROADCASTING GROUP, LLC**

By: \_\_\_\_\_  
Gregory W. Kunz  
Chairman

**TUCSON COMMUNICATIONS, LLC**

By: \_\_\_\_\_  
Gregory W. Kunz  
Chairman

Solely for the purpose of **Article 11** (Guaranty) of this Agreement:

**GREGORY W. KUNZ**

\_\_\_\_\_

Sworn and subscribed before me this \_\_\_\_ day of  
March, 2008

\_\_\_\_\_

Notary

## LIST OF SCHEDULES

- Schedule 1.1(a) – FCC Licenses
- Schedule 1.1(b) – Tangible Personal Property
- Schedule 1.1(c) – Real Property
- Schedule 1.1(d) – Station Contracts
- Schedule 1.1(e) – Intangible Property
- Schedule 1.2 – Excluded Assets
- Schedule 2.3 – No Conflicts
- Schedule 2.5(a) – Cable Systems Inside Tucson DMA
- Schedule 2.5(b) – Cable Systems Outside Tucson DMA
- Schedule 2.5(c) – Retransmission Consent
- Schedule 2.5(d) – Satellite Must-Carry Elections
- Schedule 2.9 – Program Rights
- Schedule 2.10 – Environmental
- Schedule 2.12 – Station Employees
- Schedule 2.13 – Insurance
- Schedule 2.16 – Financial Statements
- Schedule 2.17 – Absence of Certain Changes or Events
- Schedule 4.1 – Retransmission Consent Agreements
- Schedule 4.15 – Transition Services
- Schedule 6.6 – Required Consents; Station Contracts