

ASSET PURCHASE AGREEMENT

DATED JULY 19, 2012

AMONG

SINCLAIR MEDIA III, INC.

WSTR LICENSEE, INC

AND

DEERFIELD MEDIA (CINCINNATI), INC.

DEERFIELD MEDIA (CINCINNATI) LICENSEE, LLC

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is dated as of July 19th, 2012, by and among WSTR Licensee, Inc., a Maryland corporation (“**Licensee**”), Sinclair Media III, Inc. (“**SMIII**”), a Delaware limited liability company (**Licensee** and **SMIII** are sometimes referred to individually as “**Seller**” and collectively as “**Sellers**”), and Deerfield Media (Cincinnati) Inc. (“**DMI**”), a Delaware corporation and Deerfield Media (Cincinnati) Licensee, LLC (“**DML**”) a Delaware limited liability company (DMI and DML are sometimes individually referred to as **Buyer** and collectively as “**Buyers**”).

RECITALS:

A. Licensee owns those licenses, permits, and licenses issued by the FCC (as defined in Section 1.1 of this Agreement) for television broadcast station WSTR-TV, FCC Facility ID No., Cincinnati, Ohio (the “**Station**”) and SMIII owns certain assets used in the operation of the Station.

B. Pursuant to an Option Agreement, dated as of May 14, 2012 and as amended thereafter (“**Fox Option Agreement**”), Sellers granted Fox Television Stations, Inc. (“**Fox**”) the option to purchase certain stations including the Station (the “**Option**”). Subject to the terms of the Fox Option Agreement, Fox may exercise the Option at any time until March 30, 2013 (the “**Fox Option Termination Date**”), after which the Option terminates. Upon the exercise of the Option by Fox, Sellers and Fox will enter into an asset purchase agreement (the “**Fox Option APA**”) for the purchase of the Station.

C. Sellers desires to sell, and Buyers desire to purchase, the Licenses (as defined in Section 1.1 of this Agreement) and certain related assets of the Station on the terms and conditions hereinafter set forth.

AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties to this Agreement, intending to be bound legally, agree as follows:

SECTION 1: CERTAIN DEFINITIONS

1.1. **Terms Defined in this Section.** The following terms, as used in this Agreement, have the meanings set forth in this Section:

“**Action**” means any claim, action, suit, inquiry, proceeding, audit or investigation by or before any governmental authority, or any other arbitration, mediation or similar proceeding.

"Affiliate" means, with respect to any Person, (a) any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such Person within the meaning of clause (a) of this definition. For purposes of clause (a) of this definition, (i) a Person shall be deemed to control another Person if such Person (A) has sufficient power to enable such Person to elect a majority of the board of directors of such Person, or (B) owns a majority of the beneficial interests in income and capital of such Person; and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner.

"Assets" means the assets to be transferred or otherwise conveyed by Sellers to Buyers under this Agreement, as specified in Section 2.1 and Schedules 4.4 and 4.5 to this Agreement.

"Assumed Contracts" means (a) all contracts set forth on Schedule 4.6, (b) contracts entered into by Sellers between the date of this Agreement and the Closing Date that Buyers agree in writing to assume, and (c) other programming contracts entered into by Sellers between the date of this Agreement and the Closing Date in compliance with Section 6 of this Agreement.

"Benefit Arrangements" means Employment, severance, or other similar contract, arrangement, or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, or retirement benefits or arrangement for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, stock purchases, or other forms of incentive compensation or post-retirement insurance, compensation, or benefits that (A) is not a Welfare Plan, Pension Plan, or Multiemployer Plan, and (B) is entered into, maintained, contributed to, or required to be contributed to by Sellers or under which Sellers have any liability relating to Employees).

"Benefit Plans" means "Multiemployer pension plan," as defined in Section 3(37) of ERISA, that is maintained or administered by either Seller or to which either Seller contributes or are required to contribute (a "Multiemployer Plan" and, together with the Welfare Plans).

"Business Day" means any day other than a Saturday, a Sunday, or other day on which banks in New York, New York generally are not open for business.

"Closing" means the consummation of the exchange and acquisition of the Assets, pursuant to this Agreement on the Closing Date in accordance with the provisions of Section 9.1 of this Agreement.

"Closing Date" means the date on which the Closing occurs, as determined pursuant to Section 9.1(a) of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Communications Act" means the Communications Act of 1934, as amended.

“Consents” means the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Assets to Buyers or otherwise to consummate the transactions contemplated by this Agreement.

“Contaminant” shall mean and include any pollutant, contaminant, hazardous material (as defined in any of the Environmental Laws), toxic substances (as defined in any of the Environmental Laws), asbestos or asbestos containing material, urea formaldehyde, polychlorinated biphenyls, regulated substances and wastes, radioactive materials, and petroleum or petroleum by-products, including crude oil or any fraction thereof, except the term “Contaminant” shall not include small quantities of maintenance, cleaning and emergency generator fuel supplies customary for the operation of television stations and maintained in compliance with all Environmental Laws in the ordinary course of business.

“Effective Time” means 12:01 a.m., Eastern Time, on the Closing Date.

“Environmental Laws” shall mean and include, but not be limited to, any applicable federal, state or local law, statute, charter, ordinance, rule or regulation or any governmental agency interpretation, policy or guidance, including, without limitation, applicable safety/environmental/health laws, such as, but not limited to, the Resource Conservation and Recovery Act of 1976, Comprehensive Environmental Response Compensation and Liability Act, Federal Emergency Planning and Community Right-to-Know Law, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act, as any of the foregoing have been amended, and any permit, order, directive, court ruling or order or consent decree applicable to or affecting the Property or any other property (real or personal) used by or relating to the Station in question promulgated or issued pursuant to any Environmental Laws which pertains to, governs, or controls the generation, storage, remediation or removal of Contaminants or otherwise regulates the protection of health and the environment, including, but not limited to, any of the following activities, whether on site or off site if such could materially affect the site: (a) the emission, discharge, release, spilling or dumping of any Contaminant into the air, surface water, ground water, soil or substrata; or (b) the use, generation, processing, sale, recycling, treatment, handling, storage, disposal, transportation, labeling or any other management of any Contaminant.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“FCC” means the Federal Communications Commission.

“FCC Consent” means action by the FCC granting its consent to the assignment or transfer of the FCC Licenses by Sellers to Buyers as contemplated by this Agreement.

“FCC Licenses” means those licenses, permits and authorizations issued by the FCC to Sellers in connection with the Station’s operation.

“Final Order” shall mean the consent by the FCC to the application for FCC Consent filed by the parties hereto for FCC Consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action, no

protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending, and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired.

“Joint Sales Agreement” means that certain Agreement by and between WSTR Licensee, Inc. and Sinclair Media III, Inc. and Deerfield Media (Cincinnati) Inc. and Deerfield Media (Cincinnati) Licensee, LLC substantially in the form attached as Exhibit 1.

“Licenses” means all licenses, permits, construction permits and other authorizations issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to Sellers currently in effect and used in connection with the conduct of the Station’s operations, together with any additions thereto between the date of this Agreement and the Closing Date.

“Loss” means, with respect to any Person, any and all costs, obligations, liabilities, demands, claims, settlement payments, awards, judgments, fines, penalties, damages, and reasonable out-of-pocket expenses, including court costs and reasonable attorneys’ fees, whether or not arising out of a third-party claim.

“Material Adverse Effect” means any event, change, circumstance, occurrence, effect or state of facts that (a) is or would reasonably be expected to be materially adverse to the business, assets, liabilities, condition (financial or otherwise), results of operations of the Station or the Assets or (b) materially impairs the ability of Sellers to consummate or prevents any of the transactions contemplated by this Agreement or would reasonably be expected to do so.

“MSDAT” means the Maryland State Department of Assessments and Taxation.

“Newport APA” means that certain Asset Purchase Agreement by and among Newport Television, LLC, Newport Television License, LLC, High Plains Broadcasting Operating Company, LLC, High Plains Broadcasting Operating Company, LLC, High Plains Broadcasting License Company, LLC and Sinclair Television Group, Inc. dated _____, 2012.

“Permitted Encumbrances” means (a) encumbrances of a landlord, other statutory liens not yet due and payable, or landlord’s liens arising in the ordinary course of business, (b) encumbrances arising in connection with equipment or maintenance financing or leasing under the terms of the contracts set forth on Schedule 4.6, which contracts have been made available to Buyers, (c) encumbrances for Taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Sellers’ books in accordance with generally accepted accounting principles, or (d) encumbrances that do not materially detract from the value of any of the Assets or materially interfere with the use thereof as currently used.

“Person” means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership, or other entity or organization.

“Sellers’ Knowledge” means the actual knowledge, after due inquiry, of officers of Sellers.

“Shared Services Agreement” means that certain agreement by and between Deerfield Media (Cincinnati), Inc. and Deerfield Media (Cincinnati) Licensee, LLC and WSTR Licensee, Inc. and Sinclair Media III, Inc. substantially in the form attached as Exhibit 2.

“Tangible Personal Property” means the items listed on Schedule 4.5 to this Agreement.

“Tax” means any federal, state, local, or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding, or other tax or similar governmental assessment, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

“Tax Return” means any tax return, declaration of estimated tax, tax report or other tax statement, or any other similar filing required to be submitted to any governmental authority with respect to any Tax.

“Termination Date” means 12:00 midnight Eastern Time on the first anniversary of the date of this Agreement.

1.2. Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated:

<u>Term</u>	<u>Section</u>
Adjusted Purchase Price	Section 2.3(c)
Agreement	Preamble
Buyer	Preamble
Buyers	Preamble
Claimant	Section 11.4(a)
Closing Notice	Section 9.1(a)(i)
DMI	Preamble
DML	Preamble
Estimated Adjusted Purchase Price	Section 2.3(c)(i)
Excluded Assets	Section 2.2
Final Adjusted Purchase Price	Section 2.5(a)
Indemnifying Party	Section 11.4(a)

Licensee	Preamble
Option Agreement	Section 9.2(g)
Purchase Price	Section 2.3(a)
SMIII	Preamble
Seller	Preamble
Sellers	Preamble
Station	Recitals
Transferred Employees	Section 7.7(a)

Rules of Construction.

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

Sections.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

SECTION 2: EXCHANGE AND TRANSFER OF ASSETS; ASSET VALUE

2.1. Agreement to Exchange and Transfer. Subject to the terms and conditions set forth in this Agreement, Sellers hereby agree to transfer, convey, assign and deliver to Buyers on the Closing Date, and Buyers agree to acquire, all of Sellers’ right, title and interest in the assets described in this Section 2.1, together with all goodwill related thereto and any additions thereto between the date of this Agreement and the Closing Date (collectively, the “Assets”), but excluding the assets described in Section 2.2 of this Agreement, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, charges, or encumbrances of any nature whatsoever (except for Permitted Encumbrances), including the following:

- (a) the Tangible Personal Property listed on Schedule 4.5 to this Agreement;

(b) the Licenses listed on Schedule 4.4 to this Agreement, the related call letters, call signs, and public inspection file maintained in accordance with FCC rules;

(c) the Assumed Contracts;

(d) all choses in action of both Sellers relating to the Station to the extent they relate to the period after the Effective Time; and

(e) executed copies of the Assumed Contracts, and all logs and records required by the FCC to be kept by the Station including any filings with the FCC.

2.2. **Excluded Assets.** All assets of either Seller not included in the Assets shall be deemed to be excluded assets and remain the sole and exclusive property of Sellers (collectively, the "Excluded Assets").

2.3. **Purchase Price.**

(a) The aggregate purchase price for the Assets shall be equal to the sum of Two Million Dollars (\$2,000,000.00), (the "**Purchase Price**"). The Purchase Price shall be adjusted as provided for in Section 2.3(c) of this Agreement.

(b) **Prorations.** The Purchase Price shall be increased or decreased as required to effectuate the proration of revenues and expenses as set forth below. All revenues and all expenses arising from the use of the Assets by Sellers, including tower rental, business and license fees, utility charges, real property and personal property, and other similar Taxes and assessments levied against or with respect to the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges and, subject to the provisions of Section 7.7 of this Agreement, employee compensation, including wages (including bonuses which constitute wages), salaries, and related Taxes shall be prorated between Buyers and Sellers in accordance with the principle that, Sellers shall receive all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the operations of the Station for the period prior to the Effective Time, and Buyers shall receive all revenues and shall be responsible for all expenses, costs, and obligations allocable to the use of the Assets by Sellers for the period after the Effective Time subject to the following:

(i) There shall be no adjustment for, and Sellers shall remain solely liable with respect to, any contracts not included in the Assumed Contracts and any other obligation or liability not being assumed by Buyers in accordance with Section 2.2 of this Agreement. An adjustment and proration shall be made in favor of Buyers to the extent that Buyers assume any liability under any Assumed Contract to refund (or to credit against payments otherwise due) any security deposit or similar prepayment paid to Sellers by any lessee or other third party. An adjustment and proration shall be made in favor of Sellers to the extent Buyers receive the right to receive a refund (or to a credit against payments otherwise due) under any Assumed Contract to any security deposit or similar pre-payment paid by or on behalf of Sellers.

(ii) An adjustment and proration shall be made in favor of Sellers for the amount, if any, of prepaid expense, the benefit of which accrues to Buyers hereunder, and other current assets acquired by Buyers hereunder which are paid by Sellers to the extent such prepaid expenses and other current assets relate to the period after the Effective Time.

(c) **Manner of Determining Adjustments.** The Purchase Price, taking into account the prorations pursuant to Section 2.3(b) of this Agreement (the “**Adjusted Purchase Price**”), will be determined in accordance with the following procedures:

(i) Sellers shall prepare and deliver to Buyers not later than five (5) Business Days before the Closing Date a preliminary settlement statement which shall set forth Sellers’ good faith estimate of the adjustments to the Purchase Price under Section 2.3(b) of this Agreement and setting forth Sellers’ estimate of the Adjusted Purchase Price (the “**Estimated Adjusted Purchase Price**”). The preliminary settlement statement shall (A) contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price, to the extent any adjustments can be determined or estimated as of the date of the preliminary settlement statement, and such other information as may be reasonably requested by Buyers and (B) be certified by Sellers to be true and complete to Sellers’ Knowledge as of the date thereof.

(ii) Not later than two (2) Business Days prior to the Closing Date, Buyers shall either accept or reject the Estimated Adjusted Purchase Price. If Buyers accept the Estimated Adjusted Purchase Price, the Estimated Adjusted Purchase Price shall be paid by Buyers to Sellers at the Closing in accordance with Section 2.4 of this Agreement. If Buyers reject the Estimated Adjusted Purchase Price, Buyers will submit simultaneously to Sellers their good faith estimate of the Estimated Adjusted Purchase Price, including a statement that will contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price and such other information as may be reasonably requested by Sellers. The parties shall then use their best efforts to agree upon the Estimated Adjusted Purchase Price prior to the Closing Date. If the parties cannot agree on the Estimated Adjusted Purchase Price prior to the Closing, the Estimated Adjusted Purchase Price shall be the average of Buyers’ and Sellers’ estimates of the Estimated Adjusted Purchase Price.

2.4. Payment of Purchase Price. At the Closing, Buyers shall deliver to Sellers, by wire transfer of immediately available funds to such bank accounts as Sellers may designate at least two (2) Business Days prior to the Closing Date, a payment equal to the Estimated Adjusted Purchase Price.

2.5. Post-Closing Adjustments.

(a) Not later than sixty (60) calendar days after the Closing Date, Buyers will deliver to Sellers a statement setting forth Buyers’ determination of any additional adjustments to the Purchase Price under Section 2.3(b) of this Agreement and setting forth Buyers’ calculation of the final adjusted purchase price (the “**Final Adjusted Purchase Price**”). Buyers’ statement shall (i) contain all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Sellers, and (ii) be certified

by Buyers to be true and complete to Buyers' knowledge as of the date thereof. If Sellers dispute the amount of the Final Adjusted Purchase Price as determined by Buyers, Sellers shall deliver to Buyers within thirty (30) calendar days after receipt of Buyers' statement a statement setting forth their determination of the amount of the Final Adjusted Purchase Price which shall include all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Buyers. If Sellers notify Buyers of their acceptance of Buyers' statement, or if Sellers fail to deliver their statement within the thirty (30) calendar day period specified in the preceding sentence, Buyers' determination of the Final Adjusted Purchase Price shall be conclusive and binding on the parties as of the last day of the thirty (30) calendar day period.

(b) Buyers and Sellers shall use good faith efforts to resolve any dispute involving the determination of the Final Adjusted Purchase Price. If the parties are unable to resolve the dispute within forty five (45) calendar days following the delivery of Buyers' statements to be provided pursuant to Section 2.5(a) of this Agreement after the Closing, Buyers and Sellers shall jointly designate an independent certified public accounting firm of national standing which has not regularly provided services to either Buyers or Sellers in the last three (3) years, who shall be knowledgeable and experienced in the operation of television broadcasting stations, to resolve the dispute. If the parties are unable to agree on the designation of an independent certified public accounting firm, the selection of the accounting firm to resolve the dispute shall be submitted to arbitration to be held in Baltimore, Maryland, in accordance with the commercial arbitration rules of the American Arbitration Association. The accounting firm's resolution of the dispute or the arbitrators decision, as applicable, shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of this accounting firm, and, if necessary, for arbitration to select such accountant, shall be divided equally between the parties.

(c) If the Final Adjusted Purchase Price is (i) greater than the Estimated Adjusted Purchase Price, then Buyers shall pay to Sellers within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Sellers may designate, or (ii) less than the Estimated Adjusted Purchase Price, then Sellers shall pay to Buyers within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Buyers may designate.

2.6. Assumption of Liabilities and Obligations. As of the Closing Date, each Buyer, as applicable, shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Sellers under the Licenses, the Assumed Contracts, or as otherwise specifically provided for herein to the extent that either (a) the obligations and liabilities relate to the time after the Effective Time, or (b) the Purchase Price was reduced pursuant to Section 2.3(c) of this Agreement as a result of the proration of such obligations and liabilities under Section 2.3(b). Buyers shall not assume any other obligations or liabilities of Sellers, including (w) any obligations or liabilities under any contract not included in the Assumed Contracts, (x) any obligations or liabilities under the Assumed Contracts relating to the period prior to the Effective

Time, except insofar as an adjustment therefor is made in favor of Buyers under Section 2.3(c) of this Agreement, (y) any claims or pending litigation or proceedings relating to the operation of the Station or the Assets prior to the Closing or (z) any obligations or liabilities of Sellers under any employee pension, retirement, or other benefit plans.

SECTION 3: FOX OPTION

3.1. Notwithstanding anything in this Agreement to contrary:

(a) in the event Fox exercises the Option to purchase the Station from Sellers pursuant to the Fox Option Agreement ("Fox Option Exercise"), Sellers shall have the right to terminate this Agreement immediately upon notice to Buyers;

(b) in the event that the Closing of this Agreement has not occurred within ninety (90) days after the date of the Fox Option Exercise, Buyers and Sellers shall (1) terminate this Agreement, and (2) terminate and withdraw any transfer applications filed with the FCC with respect to the FCC Licenses related to the Station; and

(c) in the event that the Fox Option Exercise occurs after the Closing of this Agreement, Buyers and Sellers, shall terminate, effective as of the closing of the Fox Option APA, any joint services agreement or other similar arrangement that has been entered into in connection with the transaction contemplated by this Agreement.

3.2. As of the date hereof, Buyers shall be subject to all the terms, conditions and covenants of the Fox Option Agreement as if it was a party thereto as the owner of the Station including the obligation, if the Fox Option Exercise occurs and such election with respect to the Station is not revoked pursuant to Section 1.3 of the Fox Option, to enter into the Fox Option APA (as modified, including, as applicable, modifications to the exhibits thereto, to reflect the addition of Buyers as a party and to reflect the joint and several liability of Buyers and the other sellers relating to the obligations of the sellers with respect to the Station) the closing of which shall require Buyers to sell to Fox the Assets. Furthermore, Buyers shall take any and all actions and enter into any and all agreements reasonably necessary or required by Fox and Sellers, to facilitate the sale and transfer of the Assets by Buyers and/or Sellers to Fox or any entity designated by Sellers in writing.

3.3 Sellers shall continue to be responsible for all obligations set forth in the Fox Option, including the obligation (A) in the event Fox exercises the Fox Option and such election is not revoked with respect to all Stations, to enter into the Fox Option APA (with the Fox Option APA being modified as provided above in the event of an unrevoked Fox Option Exercise) the closing of which, in the event of an unrevoked Fox Option Exercise, will require Sellers to sell to Fox any assets with respect to the Station (other than the Station tower, transmitter building, land, tower leases and related assets) to the extent retained or otherwise remaining with Sellers following the sale of the Assets to Buyers and (B) to pay Fox Twenty-Five Million Dollars

(\$25,000,000) if the conditions requiring such payment in Section 1.4 of the Fox Option have been satisfied.

3.4 In the event that the Fox Option Exercise occurs, whether before or after Closing, Sellers shall continue to provide sales and operational services to the Station until the closing of the Fox Option APA.

3.5 In the event that Fox Option Exercise occurs and this Agreement is not terminated, as consideration for the actions taken by Buyers pursuant to this Section 3, on the date of closing of the purchase of the Station by Fox from Sellers pursuant to the Fox Option APA, Sellers shall require that Fox pay Buyers, or alternatively Sellers shall pay Buyers from the proceeds of such closing, the total amount paid by Buyers to Sellers under this Agreement for the Assets.

3.6. If Fox does not exercise the Option prior to the Fox Option Termination Date or if Fox otherwise forfeits or relinquishes the right to exercise the Option for the Station or to purchase the Station from Sellers pursuant to the Fox Option Agreement, the Fox Option APA or otherwise, then at such time determined by Sellers:

(a) Buyers shall take all any and all actions and enter into any and all agreements reasonably necessary or required by Sellers to sell, transfer, convey, assign and deliver to Sellers all the rights of the Buyers to (i) the Licenses listed on Schedule 4.4 to this Agreement, the related call letters, call signs, and public inspection file maintained in accordance with FCC rules and (ii) the Tangible Personal Property; and

(b) Sellers shall take any and all actions and enter into any and all agreements reasonably necessary or required to sell, transfer, convey, assign and deliver to Buyers all the rights of the Sellers to (i) the FCC Licenses for WKRC (TV), FCC Facility ID No. 11289, Cincinnati, Ohio (“WKRC”), the related call letters, call signs, and public inspection file maintained in accordance with FCC rules and (ii) the transmitter and related equipment used in the operation of WKRC.

(c) The transactions described in this Section 3.2 shall be pursuant to an asset purchase agreement customary for such transactions and shall be subject to the consent of the FCC and, as deemed necessary by Sellers, of the parties to the programming agreements relating to the Station and WKRC, including film and program barter agreements, sports rights agreements, news rights or service agreements, affiliation agreements and syndication agreements.

3.7 The rights and obligations of the parties set forth in this Section 3 shall survive the Closing.

SECTION 4: REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant to Buyers as of the date hereof and as of the Closing Date (except for representations and warranties that refer to a specific date or time, in which case, such representations and warranties shall be true and complete as of such date or time) as follows:

4.1. **Organization and Authority of Sellers.** SMIII is a Maryland duly organized, validly existing, and in good standing under the laws of the State of Maryland. Licensee is a corporation duly organized and validly existing and in good standing under the laws of the State of Maryland. Each Seller has the requisite corporate or other power and authority to own, lease and operate its properties, to carry on its business where such properties are now owned, leased, or operated and such business is now conducted, and to execute, deliver and perform this Agreement and the documents contemplated hereby according to its respective terms.

4.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by each Seller have been duly authorized by all necessary corporate or other required action on the part of each Seller. This Agreement has been duly executed and delivered by each Seller and constitutes their legal, valid and binding obligation, enforceable against each of them in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

4.3. **Absence of Conflicting Agreements; Consents.** Subject to obtaining the FCC Consent, the execution, delivery and performance by each Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) will not conflict with any provision of the Certificate of Formation of SMIII or the Articles of Incorporation of Licensee or Bylaws of Licensee, or other organizational documents of either Seller; (b) will not conflict with, result in a material breach of, or constitute a material default under any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (c) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license, or permit to which either Seller is a party or by which either Seller may be bound legally; and (d) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Assets. Except for the FCC Consent provided for in Section 7.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Sellers to transfer and convey the Assets to Buyers.

4.4. **Governmental Licenses.** Schedule 4.4 includes a true and complete list of the FCC Licenses. Sellers have made available to Buyers true and complete copies of all material Licenses (including any amendments and other modifications thereto). The Licenses have been validly issued, and Licensee is the authorized legal holder of the Licenses and those FCC Licenses listed on Schedule 4.4. The Licenses and the FCC Licenses listed on Schedule 4.4 comprise all of the material licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct in all material respects of the Station in the manner and to the full extent it is now conducted, and, except as otherwise disclosed on Schedule 4.4, none of the Licenses are subject to any unusual or special restriction or condition that could reasonably be expected to limit materially the full operation of the Station as now operated. The FCC Licenses are in full force and effect, are valid for the balance of the current license term applicable generally to television stations licensed to the same community as the

Station, are unimpaired by any acts or omissions of either Seller or any of their Affiliates, or the employees, agents, officers, directors, or shareholders of either Seller or any of their Affiliates, and are free and clear of any restrictions which might limit the full operation of the Station in the manner and to the full extent as it is now operated (other than restrictions under the terms of the licenses themselves or applicable to the television broadcast industry generally). Except as listed on Schedule 4.4 hereto, there are no applications, proceedings or complaints pending or, to Sellers' Knowledge, threatened which may have an adverse effect on the Station (other than rulemaking proceedings that apply to the television broadcasting industry generally). Except as disclosed on Schedule 4.4 hereto, neither Seller is aware of any reason why any of the FCC Licenses might not be renewed in the ordinary course for a full term without material qualifications or of any reason why any of the FCC Licenses might be revoked. Except as set forth on Schedule 4.4, to Sellers' Knowledge, there are no facts relating to either Seller which, under the Communications Act, as amended, or the existing rules of the FCC, would (a) disqualify Licensee from assigning any of its FCC Licenses to DML, (b) cause the filing of any objection to the assignment of the FCC Licenses to DML, (c) lead to a delay in the processing by the FCC of the applications of the FCC Licenses to DML, or (d) disqualify either Seller from consummating the transactions contemplated herein within the times contemplated herein. An appropriate public inspection file for the Station is maintained at the Station's studio in accordance with FCC rules.

4.5. **Tangible Personal Property.** Schedule 4.5 contains a true and complete list of all tangible personal property included in the Assets. Except as described in Schedule 4.5, each Seller, as applicable, owns and has good title to each item of Tangible Personal Property and none of the Tangible Personal Property is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, each material item of Tangible Personal Property is in good operating condition and repair and is available for immediate use in the business and operations of the Station. Except as set forth in Schedule 4.5, all material items of transmitting and studio equipment included in the Tangible Personal Property (a) have been maintained in a manner consistent with generally accepted standards of good engineering practice, and (b) will permit the Station and any auxiliaries thereto to operate in accordance with the terms of the FCC Licenses and the rules and regulations of the FCC and in all material respects with all other applicable federal, state and local statutes, ordinances, rules and regulations.

4.6. **Assumed Contracts.** Schedule 4.6 contains a true and complete list of all contracts (written or oral) included in the Assets. Sellers have delivered or made available to Buyers true and complete copies of all written Assumed Contracts, and true and complete descriptions of all oral Assumed Contracts (including any amendments and other modifications to such Assumed Contracts). All of the Assumed Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms except as the enforceability of such Assumed Contracts may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. Neither Seller nor, to Sellers' Knowledge, is any other party thereto, in default, in violation or in breach of any material respect under any Assumed Contract and no event has occurred or is continuing that

constitutes (with notice or passage of time or both) a default, violation, or breach in any material respect thereunder. Except as disclosed on Schedule 4.6, other than in the ordinary course of business, to Sellers' Knowledge, no party to any Assumed Contract has any intention (a) to terminate such Assumed Contract or amend the terms thereof, (b) to refuse to renew the Assumed Contract upon expiration of its term, or (c) to renew the Assumed Contract upon expiration only on terms and conditions that are more onerous than those now existing.

4.7. **Title to Properties.** Sellers have, as applicable, good and marketable title to the Assets and, except as disclosed in Schedule 4.7, the Assets are not subject to mortgages, pledges, liens, security interests, encumbrances, or other charges or rights of others of any kind or nature except for Permitted Encumbrances.

4.8. **Taxes.** Except as set forth in Schedule 4.8, Sellers have filed or caused to be filed all Tax Returns that are required to be filed with respect to its ownership and operation of the Station, and have paid or caused to be paid all Taxes shown on those returns or on any Tax assessment received by it to the extent that such Taxes have become due, or have set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. There are no legal, administrative, or other Tax proceedings presently pending, and there are no grounds existing pursuant to which either Seller is or could be made liable for any Taxes, the liability for which could extend to Buyers as assignees of the Assets.

4.9. **Insurance.** Schedule 4.9 contains a true and complete list of all insurance policies of or covering the Assets or relating to the operation of the Station. All policies of insurance listed in Schedule 4.9 are in full force and effect as of the date hereof. No insurance policy of either Seller or the Station has been canceled by the insurer and, except as set forth on Schedule 4.9, no application of either Seller for insurance has been rejected by any insurer.

4.10. **Reports.** All material returns, reports and statements that the Station is currently required to file with the FCC or Federal Aviation Administration have been filed, and all reporting requirements of the FCC and Federal Aviation Administration have been complied with in all material respects. All of such returns, reports and statements, as filed, satisfy all applicable legal requirements in all material respects.

4.11. **Claims and Legal Actions.** Except as disclosed on Schedule 4.11 and except for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to either Seller, there is no claim, legal action, counterclaim, suit, arbitration, or other legal, administrative, or tax proceeding, nor any order, decree, or judgment, in progress or pending or, to Sellers' Knowledge, threatened against or relating to the Assets, nor does Sellers know of any basis for the same.

4.12. **Environmental Compliance.**

(a) Except as disclosed on Schedule 4.12: (i) none of the Tangible Personal Property contains (A) any asbestos, polychlorinated biphenyls or any PCB contaminated oil, (B) any Contaminants, or (C) any underground storage tanks; (ii) no underground storage tank disclosed

on Schedule 5.16 has leaked and has not been remediated or leaks and such tank is in substantial compliance with all applicable Environmental Laws

(b) To Sellers' Knowledge, Sellers, as applicable, have obtained all material permits, licenses and other authorizations that are required under all Environmental Laws affecting or relating to the Assets.

4.13. **Compliance with Laws.** Except as set forth in Schedule 4.13, each Seller, as applicable, has complied in all material respects with the Licenses and all material federal, state and local laws, rules, regulations and ordinances applicable or relating to the ownership and operation of the Assets and Station, and neither Seller has received any notice of any material violation of federal, state and local laws, regulations and ordinances applicable or relating to the ownership of the Assets.

4.14. **Broker.** Neither Seller nor any person or entity acting on either Seller's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

4.15. **Insolvency Proceedings.** Neither Seller, nor any of their Assets, are the subject of any pending or threatened insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary. Neither Seller has made an assignment for the benefit of creditors or taken any action in contemplation of or which would constitute a valid basis for the institution of any such insolvency proceedings. Neither Seller is insolvent or will become insolvent as a result of entering into or performing this Agreement.

SECTION 5: REPRESENTATIONS AND WARRANTIES OF BUYERS

Buyers represent and warrant to Sellers as of the date hereof and as of the Closing Date (except for representations and warranties that refer to a specific date or time, in which case, such representations and warranties shall be true and complete as of such date and time) as follows:

5.1. **Organization, Standing and Authority.** Both Buyers are entities duly organized, validly existing, and in good standing under the laws of the State of Delaware and have the requisite corporate power and authority to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms. Each Buyer has the requisite corporate power and authority to execute, deliver and perform this Agreement and the documents contemplated hereby according to their respective terms and to own the Assets.

5.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by each Buyer has been duly authorized by all necessary action on the part of each Buyer. This Agreement has been duly executed and delivered by each Buyer and constitutes a legal, valid and binding obligation of each Buyer, enforceable against each Buyer in accordance with its terms except as the enforceability of this Agreement may be affected by

bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

5.3. **Absence of Conflicting Agreements and Required Consents.** Subject to the receipt of the FCC Consent, the execution, delivery and performance by Buyers of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party; (b) will not conflict with the Articles of Incorporation or Bylaws of DMI or the Certificate of Formation of DML; (c) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which either Buyer is a party or by which either Buyer may be bound. Except for the FCC Consent provided for in Section 8.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Buyers to acquire the Assets from Sellers or to assume certain liabilities and obligations of Sellers in accordance with Section 2.6 of this Agreement.

5.4. **Brokers.** Neither Buyer nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

5.5. **Buyers Qualifications.** Except as disclosed on Schedule 5.5, Buyers are (and pending Closing will remain) 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. Except as disclosed on Schedule 5.5, Buyers know of no fact that would, under existing law and the existing rules, regulations, policies, and procedures of the FCC (a) disqualify DML as an assignee of the FCC Licenses or as the owner and operator of the Station, or (b) cause the FCC to fail to approve in a timely fashion the application for the FCC Consent. Except as disclosed on Schedule 5.5, no waiver of any FCC rule or policy is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to DML.

SECTION 6: OPERATION OF THE STATION PRIOR TO CLOSING

Sellers, to the extent applicable, covenant and agree that between the date hereof and the Closing Date, it will operate the Station in the ordinary course in accordance with industry practice; and except as contemplated by this Agreement or with the prior written consent of Buyers (such consent not to be unreasonably withheld), (each Seller, as applicable, will act in accordance with the following insofar as such actions relate to the Station:

6.1. **Contracts.** Neither Seller will renew, extend, amend or terminate, or waive any material right under any Assumed Contract, or enter into any contract or commitment or incur any obligation that will be assumed by or be otherwise binding on Buyers after Closing, except (a) the renewal or extension of any Assumed Contract that exists on the date hereof on its existing

terms and in the ordinary course of business, (b) other contracts entered into in the ordinary course of business consistent with Sellers' past practices or that Seller believes are beneficial to the operation of the Station. Prior to the Closing Date, Sellers shall deliver to Buyers a list of all contracts to be assumed by Buyers and entered into between the date of this Agreement and the Closing Date and shall make available to Buyers copies of such Contracts.

6.2. **Encumbrances.** Neither Seller will create, assume, or permit to exist any mortgage, pledge, lien, or other charge or encumbrance affecting any of the Assets, except for (a) liens disclosed in Schedule 6.2, (b) liens that will be removed prior to the Closing Date, (c) Permitted Encumbrances, and (d) liens that Seller believes are beneficial to the operation of the Station.

6.3. **Dispositions.** Seller will not sell, assign, lease, dividend, or otherwise transfer or dispose of any of the Assets, if such sale, assignment, lease, dividend or other disposition or transfer would interfere with the normal operation of the Station in accordance with past practice.

6.4. **Access to Information.** Upon one (1) day prior written notice by Buyers to Sellers, Sellers will give to Buyers and their investment advisors, lenders, counsel, accountants, engineers and other authorized representatives reasonable access to the Assets and all books, records and documents of Sellers which are material to the Assets, and will furnish or cause to be furnished to Buyers and their authorized representatives all information relating to Sellers and the Assets that they reasonably request (including any financial reports and operations reports produced with respect to the Assets).

6.5. **Insurance.** Sellers or their Affiliates shall maintain in full force and effect policies of insurance of the same type, character and coverage as the policies currently carried with respect to the Assets.

6.6. **Licenses.** Sellers shall not cause or permit, by any act or failure to act, any of the Licenses listed on Schedule 4.4 to expire or to be revoked, suspended or modified, or take any action that could reasonably be expected to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or material adverse modification of any of the Licenses. Sellers shall prosecute with due diligence any applications to any governmental authority necessary for the sale and transfer of the Assets to Buyers.

6.7. **Obligations.** Sellers shall pay all of their obligations insofar as they relate to the Assets consistent with past practices.

6.8. **Maintenance of Assets.** Sellers shall maintain the Assets in good condition (ordinary wear, tear and casualty excepted) consistent with their overall condition on the date of this Agreement, and use, operate and maintain the Assets in a reasonable manner. If any insured or indemnified loss, damage, impairment, confiscation or condemnation of or to any of the Assets occurs, which occurrence results in interference with the normal operation of the Station in accordance with past practice, Sellers shall repair, replace or restore the Assets to their prior condition as represented in this Agreement as soon thereafter as possible, and Sellers shall use the proceeds of any claim under any property damage insurance policy or other recovery solely to repair, replace, or restore any of the Assets that are lost, damaged, impaired, or destroyed.

6.9. **Books and Records.** Each Seller shall maintain its books and records in accordance with past practices, as well as keep an appropriate public inspection file for the Station maintained at the Station's studio in accordance with the policies of the FCC.

6.10. **Notification.** Sellers shall promptly notify Buyers in writing of any material developments with respect to the Assets and of any material change in any of the information contained in the representations and warranties contained in Section 4 of this Agreement.

6.11. **Compliance with Laws.** Sellers shall comply in all material respects with all material laws, rules and regulations.

SECTION 7: SPECIAL COVENANTS AND AGREEMENTS

7.1. FCC Consent.

(a) The exchange and transfer of the Assets as contemplated by this Agreement is subject to the prior consent and approval of the FCC.

(b) No later than five (5) Business Days after the date hereof, Sellers and Buyers shall prepare and file with the FCC the appropriate application for FCC Consent. The parties shall prosecute the application with all reasonable diligence and otherwise use their respective best efforts to obtain a grant of the application as expeditiously as practicable. Each party agrees to make such additional filings with the FCC as may be necessary or appropriate to give effect to the transactions contemplated by this Agreement in the reasonable judgment of such party's FCC counsel. Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on such party as the result of a circumstance the existence of which does not constitute a breach by that party of any of its representations, warranties or covenants hereunder, and (ii) compliance with the condition would have a Material Adverse Effect upon such party. Buyers and Sellers shall oppose any petitions to deny or other objections filed with respect to the application for the FCC Consent and any requests for reconsideration or judicial review of the FCC Consent.

(c) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 10, the parties shall jointly request an extension of the effective period of the FCC

Consent, as the case may be. No extension of the effective period of the FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 10.

7.2. **Risk of Loss.** The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets of Sellers for any cause whatsoever shall be borne by Sellers at all times prior to the Closing. In the event of loss or damage prior to the Closing Date, Sellers shall use commercially reasonable efforts to fix, restore, or replace such loss, damage, impairment, confiscation, or condemnation to its former operational condition. If Sellers have adequate replacement cost insurance, Buyers may elect to have Sellers assign such insurance proceeds to Buyers, in which case, Buyers shall proceed with the Closing, and receive at the Closing the insurance proceeds or an assignment of the right to receive such insurance proceeds, as applicable, to which Sellers otherwise would be entitled, whereupon Seller shall have no further liability to Buyers for such loss or damage.

7.3. **Confidentiality.** Except as necessary for the consummation of the transaction contemplated by this Agreement and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions specifically contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

7.4. **Cooperation.** Buyers and Sellers shall reasonably cooperate with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and in connection with any litigation after the Closing Date which relate to the Station or the Assets for periods prior to the Effective Time, Buyers and Sellers shall execute such other documents as may be reasonably necessary and desirable to the implementation and consummation of this Agreement, and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations under this Agreement.

7.5. **Allocation of Purchase Price.** All amounts constituting consideration within the meaning of and for the purposes of Section 1060 of the Code shall be allocated among the Assets and any other rights acquired by Buyer hereunder, as applicable, in the manner required by Section 1060 of the Code. Sellers shall prepare a draft schedule documenting such allocation and Buyers shall be entitled to review and comment on such schedule for ten (10) Business Days, and Sellers shall consider such comments in good faith. Thereafter, Sellers shall provide Buyers with Sellers' final allocation schedule. Neither Buyer nor Seller shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with Sellers' final allocation schedule.

7.6 Access to Books and Records. To the extent reasonably requested by Buyers, Sellers shall provide Buyers access and the right to copy, from and after the Closing Date, any books and records relating to the Assets. To the extent reasonably requested by Sellers, Buyers shall provide Sellers access and the right to copy, from and after the Closing Date, any books and records relating to the Assets. Buyers and Sellers shall each retain any such books and records, for a period of three (3) years (or such longer period as may be required by law or good business practice) following the Closing Date.

7.7. Employee Matters.

(a) Schedule 7.7 lists no less than two (2) of the Sellers' employees the "**Transferred Employees**"). At the Closing, Buyers, as applicable, shall offer employment to the Transferred Employees at a comparable salary, position and place of employment as held by each such employee immediately prior to the Closing Date. Except as set forth in the preceding sentence, Buyers are not obligated to hire any of either Seller's employees or assume any contract with any of either Seller's employees, all employees that are not so hired and contracts that are not so assumed shall be Excluded Assets.

(b) Except as provided otherwise in this Section 7.7, Sellers shall pay, discharge and be responsible for (i) all salary and wages arising out of or relating to the employment of the Transferred Employees prior to the Closing Date, and (ii) any employee benefits arising under the Benefit Plans or Benefit Arrangements of either Seller and its Affiliates prior to the Closing Date. From and after the Closing Date, Buyers shall pay, discharge and be responsible for all salary, wages and benefits arising out of or relating to the employment of the Transferred Employees by Buyers on and after the Closing Date. To the extent similarly situated employees of Buyers are generally eligible for such benefits, Buyers shall be responsible for all severance liabilities, and all COBRA liabilities for any Transferred Employees of the Station terminated by Buyers on or after the Closing Date.

(c) Buyers shall cause all Transferred Employees as of the Closing Date to be eligible to participate in its "employee welfare benefit plans" and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively) in which similarly situated employees of Buyers are generally eligible to participate.

(d) For purposes of any length of service requirements, waiting period, vesting periods or differential benefits based on length of service in any such plan for which a Transferred Employee may be eligible after the Closing, Buyers shall ensure that, to the extent permitted by law, and except as limited by Buyers' existing personnel policies, service by such Transferred Employee with Sellers, any Affiliate of Sellers or any prior owner of the Station shall be deemed to have been service with Buyers. In addition, Buyers shall ensure that each Transferred Employee receives credit under any welfare benefit plan of Buyers for any deductibles or co-payments paid by such Transferred Employee and his or her dependents for the current plan year under a plan maintained by either Seller or any Affiliate of Sellers to the extent allowable under any such plan. Buyers shall grant credit to each Transferred Employee for all sick leave in accordance with the policies of Buyers applicable generally to their employees after giving effect to service for Sellers, any Affiliate of Sellers or any prior owner of the Station, as

service for Buyers. To the extent taken into account in determining prorations pursuant to Section 2.3 of this Agreement, Buyers shall assume and discharge Sellers' liabilities for the payment of all unused vacation leave accrued by Transferred Employees as of the Closing Date. To the extent any claim with respect to such accrued vacation leave is lodged against Sellers with respect to any Transferred Employee for which Buyers have received a proration credit, Buyers shall, to the extent of such credit, indemnify, defend and hold harmless Sellers from and against any and all losses, directly or indirectly, as a result of, or based upon or arising from the same.

(e) As soon as practicable following the Closing Date, Buyers shall make available to the Transferred Employees Buyer's 401(k) Plan. To the extent requested by a Transferred Employee, Sellers shall cause to be transferred to Buyer's 401(k) Plan, in cash and in kind, all of the individual account balances of Transferred Employees under Sellers' Plan, including any outstanding plan participant loan receivables allocated to such accounts.

(f) Nothing in this Agreement shall be construed to provide employees of Sellers with any rights under this Agreement, and no Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall only be enforceable by, the parties hereto and their respective successors and assigns as permitted hereunder.

7.8. **Public Announcements.** Sellers and Buyers shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the transactions contemplated herein and shall not issue any such press release or make any such public statement without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, that a party may, without the prior written consent of the other party, issue such press release or make such public statement as may be required by law or any listing agreement with a national securities exchange to which Sellers or Sellers' Affiliates are a party if it has used all reasonable efforts to consult with the other party and to obtain such other party's consent but has been unable to do so in a timely manner.

7.9. **Bulk Sales Law.** Buyers hereby waive compliance by Sellers in connection with the transactions contemplated hereby with the provisions of any applicable bulk transfer laws.

7.10. **Notification of Certain Matters; Delivery of Disclosure Schedules.**

(a) Sellers shall give prompt written notice to Buyers of (i) the occurrence or non-occurrence of any change, condition or event the occurrence or non-occurrence of which would render any representation or warranty of either Seller contained in this Agreement, if made on or immediately following the date of such event, untrue or inaccurate, if such occurrence or non-occurrence of any change, condition or event is reasonably likely to have a Material Adverse Effect, (ii) the occurrence of any change, condition or event that has had or is reasonably likely to have a Material Adverse Effect, (iii) any failure of either Seller to comply with or satisfy any covenant or agreement to be complied with or satisfied by any of them hereunder or any event or condition that would otherwise result in the nonfulfillment of any of the conditions to Buyers' obligations hereunder, (iv) any notice or other communication from any Person alleging that the

consent of such Person is or may be required in connection with the consummation of the transactions contemplated by this Agreement or (v) any Action seeking to restrain, enjoin, otherwise prohibit or delay the consummation of the transactions contemplated by this Agreement that is pending or, to Sellers' Knowledge, threatened.

(b) No later than ten (10) calendar days after the execution of this Agreement by Buyers and Sellers, Sellers shall deliver to Buyers, the disclosure schedules referenced in this Agreement. Sellers shall supplement the information set forth on the disclosure schedules referenced in Section 4 with respect to any matter arising after the delivery of the disclosure schedules that, if after the date of this Agreement, would be required to be set forth or described in such disclosure schedules or that is necessary to correct any information in such disclosure schedules or in any representation or warranty of Sellers which has been rendered inaccurate thereby promptly following discovery thereof. Such information shall be updated (i) periodically upon the request of Buyers (if not terminated by Buyers or Sellers pursuant to Section 10 of this Agreement), and (ii) three (3) Business Days prior to the Closing Date. No such supplement shall be deemed to cure any breach of any representation or warranty made in this Agreement or have any effect for purposes of determining the satisfaction of the conditions set forth in Section 8.1(a) of this Agreement, the compliance by Sellers with any covenant set forth herein or Buyers' rights to indemnification pursuant to Section 11.2 of this Agreement.

7.11. **Good Faith Performance; Other Covenants.** Neither Seller will by amendment of a charter or through any reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of Assets, or any other voluntary action avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of Buyers under this Agreement. No Seller shall take any action that would result in any of the representations set forth in Section 5 of this Agreement being untrue or incorrect in any respect.

7.12. **No Inconsistent Action.** Neither Sellers nor Buyers shall take any action that is inconsistent with their obligations under this Agreement in any material respect or that could reasonably be expected to hinder or delay the consummation of the transactions contemplated by this Agreement. No Sellers, nor any of Sellers' respective representatives or agents, shall, directly or indirectly, solicit, initiate, or participate in any way in discussions or negotiations with, or provide any confidential information to, any Person (other than Buyers or any Affiliate or associate of Buyers and their respective representatives and agents) concerning any possible disposition of the Station, the sale of any Assets, the sale or disposition of any stock or other security of Sellers whether or not issued and outstanding on the date hereof, or any similar transaction.

SECTION 8: CONDITIONS TO OBLIGATIONS OF BUYERS AND SELLERS

8.1. **Conditions to Obligations of Buyers.** All obligations of Buyers at the Closing hereunder with respect to the Station are subject, at Buyers' option, to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) **Representations and Warranties.** All representations and warranties of each Seller, contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time (except for representations and warranties that refer to a specific date or time which need only be true and complete as of such date or time), except where the failure to be so true and complete does not have a Material Adverse Effect.

(b) **Covenants and Conditions.** Each Seller, as applicable, shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date, except where the failure to have performed and complied does not have a Material Adverse Effect.

(c) **FCC Consent.** The FCC Consent shall have been granted, notwithstanding that it may not have yet become a Final Order, unless any filing is made with the FCC that pertains to or becomes associated with any request for consent to the assignment of the FCC Licenses, in which case, Buyers shall not be obligated to close until the FCC Consent shall have become a Final Order, unless in the reasonable judgment of Buyers' counsel such objection would not reasonably be expected to result in a denial of the FCC Consent or the designation for hearing of the application for FCC Consent.

(d) **Governmental Authorizations.** Licensee shall be the holder of the FCC Licenses, and there shall not have been any modification, revocation, or non-renewal of any License that has caused a Material Adverse Effect. No proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any FCC License.

(e) **Deliveries.** Sellers shall have made or stand willing to make all the deliveries to Buyers described in Section 9.2 of this Agreement.

8.2. **Conditions to Obligations of Sellers.** All obligations of Sellers at the Closing hereunder are subject, at Sellers' option, to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) **Representations and Warranties.** All representations and warranties of each Buyer, contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time (except for representations and warranties that refer to a specific date or time which need only be true and complete as of such date or time).

(b) **Covenants and Conditions.** Each Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) **FCC Consent.** The FCC Consent shall have been granted.

(d) **Newport Acquisition.** Sellers or Sellers Affiliates shall have acquired or acquire simultaneously with the Closing hereunder the assets of television broadcast station WKRC-TV, Cincinnati, Ohio as provided by the Newport APA.

(e) **Deliveries.** Buyers shall have made or stand willing to make all the deliveries described in Section 9.3 of this Agreement.

SECTION 9: CLOSING AND CLOSING DELIVERIES

9.1. Closing.

(a) **Closing Date.**

(i) Except as provided below in this Section 9.1 or as otherwise agreed to by Buyers and Sellers, the Closing hereunder shall be held on a date specified by Sellers on at least five (5) Business Days' written notice (a "**Closing Notice**") that is not earlier than the first business day after or later than ten (10) Business Days after the date on which all of the conditions to Closing set forth in Sections 8.1 and 8.2 of this Agreement have been satisfied or waived.

(ii) If any event occurs that prevents signal transmission by the Station in the normal and usual manner and Sellers cannot restore the normal and usual transmission before the date on which the Closing would otherwise occur pursuant to this Section 9.1(a), and this Agreement has not been terminated under Section 10, Sellers shall diligently take such action as reasonably necessary to restore such transmission, and, at Buyers' option, the Closing shall be postponed until a date within the effective period of the FCC Consent (as it may be extended pursuant to Section 7.1(c) of this Agreement) to allow Sellers to restore the normal and usual transmission for the Station. If the Closing is postponed by Buyers pursuant to this paragraph, the date of the Closing shall be ten (10) days after notice by Sellers to Buyers that transmission has been restored. Notwithstanding anything to the contrary in this Agreement, Buyers shall not be obligated to close if the transmission of the Station is not operating in the normal and usual manner, unless and until Sellers have restored the transmission of the Station to its normal and usual level.

(iii) If there is in effect on the date on which the Closing would otherwise occur pursuant to this Section 9.1(a) any judgment, decree or order that would prevent or make unlawful the Closing on that date, the Closing shall be postponed until a date within the effective period of the FCC Consent (as it may be extended pursuant to Section 7.1(c) of this Agreement), to be agreed upon by Buyers and Sellers, when such judgment,

decree, or order no longer prevents or makes unlawful the Closing. If the Closing is postponed pursuant to this paragraph, the date of the Closing shall be ten (10) days after notice by Buyers to Sellers that such judgment, decree, or order no longer prevents or makes unlawful the Closing.

(b) **Closing Place.** The Closing hereunder shall be held at the offices of Thomas & Libowitz, P.A., 100 Light Street, Suite 1100, Baltimore, Maryland, 21202, or any other place that is mutually agreed upon by Buyers and Sellers.

9.2. **Deliveries by Sellers.** Prior to or on the Closing Date, Sellers shall deliver to Buyers the following, in form and substance reasonably satisfactory to Buyers and their counsel:

(a) **Conveyancing Documents.** Duly executed deeds, bills of sale, motor vehicle titles, assignments, and other transfer documents that are sufficient to vest good and marketable title to the Assets being transferred at the Closing in the name of Buyers, free and clear of all mortgages, liens, restrictions, encumbrances, claims and obligations except for Permitted Encumbrances.

(b) **Officer's Certificate.** A certificate, dated as of the Closing Date, executed by an officer or member (as applicable) of each Seller, certifying: (i) that the representations and warranties of such Seller contained in this Agreement are true and complete as of the Closing Date as though made on and as of that date (except for representations and warranties that refer to a specific date or time, which need only be true and complete as of such date or time), except to the extent that the failure of such representations and warranties shall not have had a Material Adverse Effect, and (ii) that each Seller has in all respects performed and complied with all of its obligations, covenants and agreements in this Agreement to be performed and complied with on or prior to the Closing Date, except to the extent that the failure to perform such covenants shall not have had a Material Adverse Effect.

(c) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by SMIII's members or other appropriate official and Licensee's Secretary (i) certifying that the resolutions, as attached to such certificate, were duly adopted by SMIII's members and such Licensee's Board of Directors authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect, and (ii) providing, as attachments thereto, the Certificate of Formation of SMIII's and the Articles of Incorporation and Bylaws of Licensee.

(d) **Good Standing Certificates.** Certificates as to the formation and/or good standing of each Seller issued by the Secretary of State of the State of Delaware as to SMIII and MSDAT as to Licensee dated a date not more than a reasonable number of days prior to the Closing Date.

(e) **Shared Services Agreement.** The Shared Services Agreement duly executed by authorized officer or member of KABB Licensee, LLC and Sinclair Communications, LLC.

(f) **Joint Sales Agreement.** The Joint Sales Agreement duly executed by an authorized officer or member of KABB Licensee, LLC and Sinclair Communications, LLC.

(g) **Option Agreement.** The Option Agreement substantially in the form attached to this Agreement as Schedule 9.2(g) (the “**Option Agreement**”) duly executed by an authorized officer or member of KABB Licensee, LLC and Sinclair Communications, LLC.

(h) **Other Documents.** Such other documents reasonably requested by Buyers or their counsel for complete implementation of this Agreement and consummation of the transaction contemplated hereby.

9.3. **Deliveries by Buyers.** Prior to or on the Closing Date, each Buyer shall deliver to Sellers the following, in form and substance reasonably satisfactory to Sellers and their counsel:

(a) **Closing Payment.** The payment due to Sellers as described in Section 2.3 or Section 2.3(c) of this Agreement, as applicable.

(b) **Officer's Certificate.** A certificate, dated as of the Closing Date, executed on behalf of an officer of DMI, certifying (i) that the representations and warranties of DMI and DML contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (ii) both DMI and DML have in all material respects performed and complied with all of their obligations, covenants and agreements in this Agreement to be performed and complied with on or prior to the Closing Date.

(c) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by DMI's Secretary and DMI's members: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by DMI's Board of Directors and DMI's members, authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as an attachment thereto, DMI's Certificate of Incorporation and Bylaws and DML's Certificate of Formation, as applicable.

(d) **Assumption Agreements.** Appropriate assumption agreements pursuant to which Buyers shall assume and undertake to perform Sellers' obligations and liabilities to the extent provided under this Agreement for the Station, including (without limitation) under the Licenses and the Assumed Contracts.

(e) **Good Standing Certificates.** Certificates as to the formation and/or good standing of Buyers issued by the Secretary of State of the State of Delaware to be dated a date not more than a reasonable number of days prior to the Closing Date.

(f) **Shared Services Agreement.** The Share Services Agreement duly executed by an authorized officer of Deerfield Media (Cincinnati), Inc.

(g) **Joint Sales Agreement.** The Joint Sales Agreement duly executed by an authorized officer of Deerfield Media (Cincinnati), Inc.

(h) **Option Agreement.** The Option Agreement duly executed by an authorized officer or member of each Buyer.

(j) **Other Documents.** Such other documents reasonably requested by Sellers or their counsel for complete implementation of this Agreement and consummation of the transactions contemplated hereby.

SECTION 10: TERMINATION

10.1. **Termination by Mutual Consent.** This Agreement may be terminated at any time prior to Closing by the mutual consent of the parties.

10.2. **Termination by Sellers.** This Agreement may be terminated by either Seller and the sale and transfer of the Station abandoned upon written notice to Buyers for any reason in its sole discretion, including without limitation, if the Newport APA is terminated prior to the closing thereunder.

10.3. **Termination by Buyers.** This Agreement may be terminated by either Buyer and the exchange and transfer of the Station abandoned:

(a) upon written notice to Sellers if, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyers set forth in Sections 8.1(a), 8.1(b), 8.1(c), 8.1(d) and 8.1(e) of this Agreement has not been satisfied or waived in writing by Buyers, and Buyers are not then in material default hereunder; or

(b) if either Seller shall have materially defaulted in the performance of any of either Sellers' obligations under this Agreement, and such default is not cured within thirty (30) days after notice thereof to Sellers and such default has had a Material Adverse Effect.

(c) if the Newport APA is terminated prior to the closing thereunder.

10.4. **Termination Date.** Unless extended by mutual consent of Buyers and Sellers, this Agreement shall terminate if Closing has not occurred by the Termination Date.

10.5. **Rights on Termination.** If this Agreement is terminated by Buyers pursuant to Section 11.3 as a result of a material breach by any Sellers of any provision of this Agreement, Buyers shall have all rights and remedies available at law or equity. If this Agreement is terminated by Sellers pursuant to Section 10.2 as a result of a material breach by any Buyer of any provision of this Agreement, Sellers shall have all rights and remedies available at law or equity, including the remedy of specific performance as described in Section 10.6 below.

10.6. **Attorneys' Fees.** In the event of a default by any party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

10.7. **Survival.** Notwithstanding the termination of this Agreement pursuant to this Section 11, the obligations of Buyers and Sellers set forth in Sections 7, 10, 11, and 12 of this Agreement shall survive such termination, and the parties hereto shall have any and all rights and remedies to enforce such obligations provided at law or in equity or otherwise (including without limitations, specific performance).

SECTION 11: SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES

11.1. **Survival of Representations.** All representations and warranties, covenants and agreements of Sellers and Buyers contained in or made pursuant to this Agreement or in any certificate furnished pursuant hereto shall survive the Closing Date and shall survive and remain in full force and effect for a period of sixty (60) calendar days; provided that the covenants and agreements set forth in Section 7.3 (Confidentiality), Section 7.4 (Cooperation), Section 7.6 (Access to Books and Records), Section 12.1 (Fees and Expenses), Section 12.2 (Notices), and Section 12.3 (Benefit and Binding Effect), shall survive the Closing for the period provided therein or, if no period is specified, in perpetuity; and provided further that the indemnification obligations in Section 11.2(d) (Fox Option APA) shall survive the Closing in perpetuity; and provided further that anything to the contrary in this Section 11.1 notwithstanding, any claim for indemnification under Section 11 hereof which is asserted in a reasonably detailed writing prior to the expiration of the survival periods provided in this Section 11.1 shall survive with respect to such claim or dispute until final resolution thereof.

11.2. **Indemnification by Sellers.** After the Closing but subject to Sections 11.1 and 11.5 of this Agreement, Sellers, jointly and severally hereby agree to indemnify and hold Buyers harmless against and with respect to and shall reimburse Buyers for:

- (a) any and all obligations of Sellers not assumed by Buyers pursuant to this Agreement, including any liabilities arising at any time under any Contract not included in the Assumed Contracts;
- (b) any Loss resulting from the actual fraud or intentional misconduct of Sellers or;
- (c) any Loss arising out of or resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Sellers contained in this Agreement or in any certificate, document, or instrument delivered to Buyers under this Agreement;
- (d) any Loss arising out of or resulting from any action, suit, proceeding, claim, or demand made or brought by Fox or its affiliates related to any non-fulfillment of any obligation of Sellers under the Fox Option APA related to the Station;

(e) any and all out-of-pocket costs and expenses, including reasonable legal fees and expenses, incident to any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof or enforcing this indemnity.

11.3. **Indemnification by Buyers.** Notwithstanding the Closing, but subject to Sections 11.1 and 11.5 of this Agreement, Buyers hereby agree to indemnify and hold Sellers harmless against and with respect to and shall reimburse Sellers for:

(a) any Loss arising out of or resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyers contained in this Agreement or in any certificate, document, or instrument delivered to Sellers under this Agreement;

(b) any and all obligations of any Sellers assumed by Buyers pursuant to this Agreement;

(c) any and all out-of-pocket costs and expenses, including reasonable legal fees and expenses, incident to any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

11.4. **Procedure for Indemnification.** The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the “**Claimant**”) shall promptly give notice to the party from which indemnification is claimed (the “**Indemnifying Party**”) of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant within five (5) Business Days after written notice of such action, suit, or proceeding was given to Claimant.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within the thirty (30) day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law or equity.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, it shall be bound by the results obtained in good faith by the Claimant with respect to such claim.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) The indemnification rights provided in Sections 11.2 and 11.3 of this Agreement shall extend to the members, partners, shareholders, officers, directors, employees, representatives and affiliated entities of any Claimant although for the purpose of the procedures set forth in this Section 11.4, any indemnification claims by such parties shall be made by and through the Claimant.

11.5. Certain Limitations.

(a) Notwithstanding any other provision of this Agreement to the contrary, in no event shall a party be entitled to indemnification for such party's consequential or punitive damages, regardless of the theory of recovery. Each party hereto agrees to use reasonable efforts to mitigate any losses which form the basis for any claim for indemnification hereunder.

(b) Except for the indemnification obligations pursuant to 11.2(d) which shall not have a limit amount, the Indemnifying Party shall not be required to indemnify the Claimant for any Loss that is more than the amount of the Purchase Price, as adjusted pursuant to Section 2.5 paid by Buyers to Sellers at Closing.

(c) Notwithstanding anything in this Agreement to the contrary, neither party shall indemnify or otherwise be liable to the other party with respect to any claim for any breach of any representation or warranty or for breach of any covenant contained in this Agreement, unless notice of the claim is given within the relevant survival period specified in Section 11.1.

SECTION 12: MISCELLANEOUS

12.1. Fees and Expenses.

(a) Sellers shall pay any filing fees charged by the FCC in connection with filing the applications to obtain the FCC Consent.

(b) Sellers shall pay any filing fees, transfer taxes, document stamps, or other charges levied by any governmental entity (other than income Taxes, which shall be the responsibility of Sellers) on account of the transfer of the Assets from Sellers to Buyers.

(c) Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Agreement, including all fees and expenses of counsel, accountants, agents and representatives, and each party shall be responsible for all fees or commissions payable to any finder, broker, advisor, or similar Person retained by or on behalf of such party.

12.2. **Notices.** All notices, requests, consents, payments, demands, and other communications required or contemplated under this Agreement shall be in writing and (a) personally delivered or sent via telecopy (receipt confirmed and followed promptly by delivery of the original), or (b) sent by Federal Express or other reputable overnight delivery service (for next Business Day delivery), shipping prepaid, as follows:

If to Sellers to:

Mr. David Smith
President
Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Telephone: (410) 568-1506
Fax: (410) 568-1533

With a copy to:

Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: General Counsel
Telephone: (410) 568-1524
Fax: (410) 568-1537

If to Buyers to:

Deerfield Media (Cincinnati), Inc.
Deerfield Media (Cincinnati) Licensee, LLC
1735 York Avenue
New York, New York 10128
Attn: Stephen P. Mumbrow

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

Steven A. Thomas, Esquire

Thomas & Libowitz, P.A.
100 Light Street, Suite 1100
Baltimore, Maryland 21202
Telephone: (410) 752-2468
Fax: (410) 752-2046

or to such other Persons or addresses as any Person may request by notice given as aforesaid. Notices shall be deemed given and received at the time of personal delivery or completed telecopying, or, if sent by Federal Express or such other overnight delivery service one Business Day after such sending.

12.3. **Benefit and Binding Effect.** Buyers shall have the right to assign all or any portion of their rights under this Agreement to (a) any entity under common control with Buyers whether in existence or formed after the date hereof, (b) any lender or any agent for such lender(s) for collateral purposes only, provided, that no such assignment shall relieve Buyers of their obligations hereunder. Sellers shall have the right to assign all or any portion of their rights under this Agreement to any entity. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder. Other than as expressly set forth in this Section 13.3, no party may assign or transfer all or any portion of its rights under this Agreement without the prior written consent of the parties hereto.

12.4. **Further Assurances.** The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

12.5. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF). IN ADDITION, EACH OF THE PARTIES HERETO SUBMITS TO LOCAL JURISDICTION IN THE STATE OF MARYLAND AND AGREES THAT ANY ACTION BY ANY PARTY HEREUNDER SHALL BE INSTITUTED IN THE STATE OF MARYLAND.

12.6. **Entire Agreement.** This Agreement, the Schedules hereto, and all documents, certificates and other documents to be delivered by the parties pursuant hereto represent the entire understanding and agreement between Buyers and Sellers with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing duly executed by each of the parties hereto.

12.7. **Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only

by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 12.7.

12.8. **Headings.** The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

12.9. **Counterparts.** This Agreement may be signed in two or more counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyers and Sellers as of the date first written above.

SELLERS:

Sinclair Media III, Inc.

By: _____

Name: David B. Amy

Title: Secretary

WSTR Licensee, Inc.

By: _____

Name: David B. Amy

Title: Secretary

BUYERS:

Deerfield Media (Cincinnati), Inc.

By: _____

Name: _____

Title: _____

Deerfield Media (Cincinnati) Licensee, LLC

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyers and Sellers as of the date first written above.

SELLERS:

Sinclair Media III, Inc.

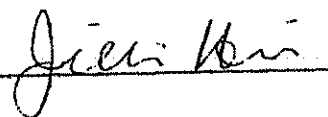
By: _____
Name: _____
Title: _____

WSTR Licensee, Inc.

By: _____
Name: _____
Title: _____

BUYERS:

Deerfield Media (Cincinnati), Inc.


By: _____
Name: STEPHEN P. MUMBLOW
Title: PRESIDENT

Deerfield Media (Cincinnati) Licensee, LLC

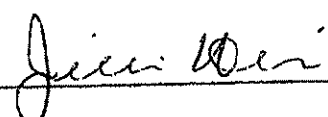

By: _____
Name: STEPHEN P. MUMBLOW
Title: PRESIDENT

Exhibit 1
Form Joint Sales Agreement

Exhibit 2
Form Shared Services Agreement

Schedule 9.2(g)
Form Option Agreement