

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) is made and entered into as of this 7th day of May 2015 (the “Effective Date”), by and among Hearst Stations Inc., a Nevada corporation (“Seller”), and KITV, Inc., a Delaware corporation (“Buyer”).

RECITALS

Seller holds the licenses, permits, approvals, and authorizations, and transferrable applications therefor issued by the FCC (collectively, the “FCC Licenses”) for the operation of television stations KITV(TV), Honolulu, Hawaii (Facility ID No. 64548); KMAU(TV), Wailuku, Hawaii (Facility ID No. 64551) (satellite of KITV); and KHVO(TV), Hilo, Hawaii (Facility ID No. 64544) (satellite of KITV) (each a “Station” and collectively, the “Stations”) and owns or leases certain other assets used or held for use in connection with the Stations and the Station Business;

A. Seller desires to sell and transfer to Buyer the Assets, and Buyer desires to purchase and acquire the Assets from Seller and assume the Assumed Obligations, in each case for the consideration and upon the terms and conditions herein provided, subject to FCC approval; and

B. Capitalized terms in this Agreement shall have the meanings set forth in Exhibit A hereto or as otherwise defined herein.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I

ASSETS BEING SOLD AND PURCHASED AND PURCHASE PRICE

1.1 Assets. Upon the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell, assign, convey, transfer, and deliver to Buyer at the Closing, and Buyer hereby agrees to purchase at the Closing, free and clear of all Liens (other than Permitted Liens), all of Seller’s and its Affiliates’ right, title, and interest in and to all of the assets, properties and rights of Seller, whether real, personal, tangible or intangible, primarily used or primarily held for use in the Station Business (but excluding the Excluded Assets), including without limitation the following (collectively, the “Assets”):

(a) the FCC Licenses and all other licenses, permits, approvals, concessions, franchises, consents, qualifications, registrations, and authorizations, if any, issued by the Federal Aviation Administration or any other Governmental Authority with respect to the Station Business, including those set forth in Schedule 1.1(a) hereto, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto (collectively, and including the FCC Licenses, the “Authorizations”);

(b) the Transmission Equipment, Transmission Structures, Towers, antenna system, cables, furnishings and fixtures, equipment, electrical devices, machinery, tools, furniture, computers, telecommunications equipment, Central IT Resources, office equipment and supplies, vehicles, inventories of supplies, tapes (including recorded commercials and programming) spare parts, and other tangible assets or personal property of every kind and description primarily used or primarily held for use in the operation of the Station Business, including that set forth in Schedule 1.1(b) hereto (collectively, the “Tangible Personal Property”), plus such additions thereto and minus any retirements or dispositions therefrom between the date hereof and the Closing Date as are made in accordance with Section 5.8 of this Agreement;

(c) (i) all Contracts primarily used or primarily held for use in the Station Business, including any additional such Contracts executed and delivered, if written, or entered into orally, if oral, by Seller between the date hereof and the Closing Date in the ordinary course of the Station Business in accordance with Section 5.8 of this Agreement, including but not limited to those listed on Schedule 1.1(c)(i) (collectively, and together with the Real Property Leases and the Assigned Portion of the Group Contracts, but excluding any Excluded Assets, the “Assumed Contracts”); and (ii) with respect to Group Contracts and subject to Section 5.4(c), all rights and obligations that are applicable to the Stations and the Station Business (the “Assigned Portion of the Group Contracts” and each, the “Assigned Portion of a Group Contract”);

(d) all program and programming materials and elements of whatever form or nature used or held for use by Seller in the Station Business, whether recorded on tape or any other media or intended for live performance, and whether completed or in production, and all call signs or call letters used with respect to the Stations, including “KITV-TV,” “KITV-DT,” “KITV” and “KITV(TV);” and “KMAU-TV,” “KMAU-DT,” “KMAU” and “KMAU(TV);” and “KHVO-TV,” “KHVO-DT,” “KHVO” and “KHVO(TV);” and all trade names, trademarks, service marks, copyrights, and patents (registered or unregistered, and including pending applications and licenses therefor), trade secrets, universal resource locators, Internet domain names and website addresses (including any and all common law rights, applications, registrations, extensions and renewals relating thereto) primarily used or primarily held for use by Seller in connection with the Station Business, and any logograms, jingles, slogans and other intangible personal property associated therewith, including that set forth in Schedule 1.1(d) hereto, together with the goodwill associated therewith (collectively, the “Intellectual Property”);

(e) the Owned Real Property and the Leased Real Property (collectively, the “Real Property”), and the Contracts granting Seller the right of use or occupancy of any portion of the Leased Real Property, or any Contract to which Seller is a party and granting any other Person the right of use or occupancy of any portion of the Owned Real Property, together with any amendments, modifications or supplements thereto (each a “Real Property Lease” and collectively, the “Real Property Leases”), in each case as set forth in Schedule 1.1(e);

(f) all books, files, and records contained in printed or digital documentation or other tangible material primarily relating to the Assets or the Station Business, including proprietary information, schematics, technical information and engineering data, machinery and equipment warranties, surveys, maps, rights to use telephone numbers, as-built drawings and other drawings, blueprints, plans, engineering data and processes developed or acquired by

Seller, programming information, customer lists and files, advertising and programming purchase and sales records and other sales and traffic information, correspondence, advertising records, market data and information relating to the Stations' market, files, literature, copies of all title insurance policies and underlying title documents for the Real Property, copies of all environmental reports, copies of the Assumed Contracts, and the FCC required logs, files, and records, including the Stations' complete public inspection files, and copies of all Tax Returns relating to the Assets and the Station Business (the "Station Documents"); provided that, Buyer shall not be entitled to any information regarding, any access to, any right to review or any right to obtain (and the Station Documents shall not include) (i) any income Tax Returns of the Seller and any work papers and books and records relating to such income Tax Returns or (ii) any consolidated, combined, affiliated or unitary Tax Return which includes the Seller or any Affiliate of the Seller and any work papers and books and records relating to such Tax Returns;

(g) warranties covering Tangible Personal Property to the extent transferable by the Seller;

(h) all claims, counterclaims, credits, causes of action, choses in action, rights of recovery, and rights of indemnification or setoff against third parties and other claims arising out of or relating to the Station Business, the Assets or the Assumed Obligations and all other intangible property rights which primarily relate to the Station Business or the Assets;

(i) the Accounts Receivable;

(j) all other Current Assets, including any and all prepayments, deposits paid by Seller, claims for refunds and prepaid expenses relating to the Station Business, the Assets, or the Assumed Obligations (including deposits on leasehold interests and utilities, prepaid taxes and insurance premiums); and

(k) Seller's ownership interest in Maui Television Broadcasters, LLC.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Assets do not include, and Seller shall not, and is not hereby agreeing to, sell, assign, transfer, deliver, or convey to Buyer Seller's right, title and interests in the following assets and properties (the "Excluded Assets"):

(a) cash and cash equivalents on hand or on deposit in banks (including certificates of deposit, commercial paper, treasury bills, and money market accounts), marketable securities, bank and other depository accounts of the Seller or its Affiliates, or inter-company or inter-affiliate accounts, and any similar accounts;

(b) all rights and claims of Seller and/or its Affiliates, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Business, to the extent arising during or attributable to any period prior to the Effective Time (but only to the extent related to other Excluded Assets or the Excluded Liabilities) and expressly excluding any Accounts Receivable or other Current Assets;

(c) any and all insurance policies and contracts of insurance, and proceeds or refunds therefrom, and prepaid insurance premiums;

(d) any and all promissory notes, bonds, letters of credit, certificates of deposit, and any other similar items, and any cash surrender value in regard thereto;

(e) any assets of any pension, profit-sharing, or employee benefit plans, including Seller's interest in any welfare plan, pension plan, or benefit arrangement;

(f) any Contract set forth on Schedule 1.2(f), and all Contracts between or among Seller and/or any of its Affiliates set forth on Schedule 3.10(a)(iv) (collectively, the "Excluded Contracts");

(g) Contracts that contemplate the provision of the products and services to or by Other Seller Stations or other business units of the Seller or any of its Affiliates in addition to the Stations, and which Contracts are set forth on Schedule 1.2(g) (the "Group Contracts"), except to the extent of the Assigned Portion of the Group Contracts;

(h) all Assumed Contracts that have terminated or expired prior to the Closing Date in the ordinary course of business consistent with the past practices of Seller with respect to the Station Business and in accordance with Section 5.8 of this Agreement;

(i) all tangible and intangible personal property within the Assets disposed of or consumed in the ordinary course of business consistent with the past practices of Seller with respect to the Station Business and in accordance with Section 5.8 of this Agreement;

(j) the names "Hearst," "Hearst Television," "Hearst Stations," "Hearst Properties," or any variations or derivations of, or marks confusingly similar to, any of the foregoing (including "HTV"), Seller's corporate and trade names unrelated to the Station Business, and all URLs and internet domain names consisting of or containing any of the foregoing;

(k) (i) Seller's charter or other governance documents, minute books and all books and records relating to the organization, existence or ownership of Seller, including any corporate or accounting books or records of Seller which do not relate to the Station Business or the Assets, or which relate to Seller's past or current income tax returns or liabilities; (ii) all records, documents, plans and financial records related to the transactions contemplated by this Agreement, (iii) all records relating to other Excluded Assets; (iv) all personnel files for employees who do not become Transferred Employees; and (v) all files, documents, records, Tax Returns and supporting materials, books of account and other materials not relating primarily to the Assets or the Station Business; in particular, Buyer shall not be entitled to any information regarding, any access to, any right to review or any right to obtain (A) any income Tax Returns of the Seller and any work papers and books and records relating to such income Tax Returns or (B) any consolidated, combined, affiliated or unitary Tax Return which includes the Seller or any Affiliate of the Seller and any work papers and books and records relating to such Tax Returns;

(l) any refunds in respect of or overpayments of Excluded Taxes ("Excluded Tax Assets");

(m) all assets that are not primarily used or primarily held for use in the operation of the Stations (other than the Assigned Portion of the Group Contracts);

- (n) the Excluded IT;
- (o) all amounts payable to Seller, if any, from the United States Copyright Office or such arbitral panels as may be appointed by the United States Copyright Office that relate to the Station Business for the period prior to the Effective Time and that have not been paid to Seller as of the Effective Time;
- (p) any of the rights of Seller under this Agreement and the other agreements, certificates and documents delivered in connection herewith;
- (q) all Other Seller Stations;
- (r) any intercompany receivables of the Station Business from the Seller or any of its Affiliates;
- (s) Seller's rights and obligations under the Spectrum Auction Contingency Agreement and the Transition Services Agreement;
- (t) all receivables and all rights and claims of Seller and/or its Affiliates under the retransmission consent agreements referred to in Schedule 3.21 to the extent attributable to any period prior to the Effective Time; and
- (u) any asset of or associated with any Employee Benefit Plan or Compensation Arrangement.

1.3 Liabilities.

(a) At Closing, the Assets shall be sold and conveyed to Buyer by instruments of conveyance customarily used for such purposes and free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, and encumbrances of any kind or type whatsoever (collectively, "Liens") except for Permitted Liens. As used herein, "Permitted Liens" means, collectively:

- (i) Liens for taxes, assessments and governmental charges not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings and for which appropriate reserves have been created in accordance with GAAP;
- (ii) zoning laws and ordinances and similar laws;
- (iii) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in any permits);
- (iv) in the case of any leased asset, the terms of the applicable lease, or any Lien that the underlying fee or lease estate is subject to;
- (v) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, material men, and other Liens imposed by law arising or incurred in the ordinary course of business for amounts that are not yet due and payable or that are being contested in

good faith by appropriate proceedings and for which appropriate reserves have been created in accordance with GAAP;

(vi) Liens which comprise minor defects of title, easements, rights-of-way, restrictions and other Liens, none of which materially interfere with (or are violated by) the present ownership, composition or use of the applicable assets subject thereto;

(vii) Liens to the extent described on Schedule 1.3(a); and

(viii) Liens that will be released prior to or as of the Effective Time, including all mortgages and security interests securing indebtedness of Seller.

(b) Upon the terms and subject to the conditions set forth in this Agreement, Buyer hereby agrees to, as of the Effective Time, assume and agree to pay for, satisfy, discharge, perform and fulfill the following (collectively, as identified below, the “Assumed Obligations”):

(i) all liabilities and obligations relating to the Stations, Station Business and/or Assets to the extent arising out of, or attributable to, any period of time after the Effective Time including the liabilities and obligations under the Assumed Contracts, the Real Property Leases and the Authorizations, but specifically excluding any obligations or liabilities thereunder resulting from or related to a breach, default, non-performance or violation of such Assumed Contract, Real Property Lease, Authorization or Law by Seller or arising as a result of the consummation of the transactions contemplated by this Agreement;

(ii) the obligation to make COBRA coverage available for Station Employees and the obligations to grant credit to Transferred Employees for all unused vacation and sick leave, to provide such leave to Transferred Employees, and to cause Buyer’s benefit plans to recognize service of the Transferred Employees in each case to the extent provided in Section 5.11 hereto;

(iii) sales commissions related to the sale of advertisements broadcast on the Stations after the Effective Time pursuant to the Assumed Contracts;

(iv) all obligations and liabilities related to program rights of the Stations to the extent arising or attributable to the period of time after the Effective Time, but specifically excluding any obligations or liabilities resulting from or related to a breach, default, non-performance or violation of any Contract or Law relating thereto by Seller;

(v) other than Excluded Taxes, any and all Taxes with respect to the Assets, the Stations and/or the Station Business to the extent attributable to a Post-Closing Tax Period; and

(vi) without duplication of other items in this Section 1.3(b), the Current Liabilities but only to the extent shown on the Closing Balance Sheet.

(c) Except to the extent of the Assumed Obligations, Buyer shall not assume or be liable for, and does not undertake to assume or discharge, pay, satisfy or fulfill any other liability or obligation of Seller or its Affiliates, of any kind or nature, whether accrued now or

hereafter, whether fixed or contingent, whether known or unknown (collectively, the “Excluded Liabilities”), and Seller and its Affiliates, as applicable, shall retain, pay, perform, defend and discharge (without recourse to Buyer) all of such Excluded Liabilities, including, without limitation the following (except to the extent they are Assumed Obligations):

(i) any liability or obligation of Seller arising out of or relating to any Contract that is not an Assumed Contract, including the Excluded Contracts and the portion of each Group Contract that is not assigned to the Buyer, or, with respect to Assumed Contracts, any liability or obligation relating to any breach, default or non-performance by Seller under such Assumed Contract;

(ii) any liability or obligation relating to any Excluded Asset (including the Other Seller Stations);

(iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding, or claim with respect to periods prior to the Effective Time (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date);

(iv) except to the extent set forth on the Closing Balance Sheet, any liability or obligation for any and all claims by or on behalf of Sellers’ employees, including Station Employees, arising out of or related to acts, omissions, events or occurrences prior to the Closing, including, without limitation, all severance obligations, if any, which are to be made as a result of any Station Employee rejecting Buyer’s offer of employment;

(v) any liability or obligation for or related to any Employee Benefit Plan;

(vi) any liability or obligation for Excluded Taxes;

(vii) liabilities or obligations in respect of any indebtedness for borrowed money or guarantees, including any intercompany obligations or liabilities among Seller and its Affiliates;

(viii) liabilities or obligations of Seller under this Agreement, the other agreements, certificates and documents delivered in connection herewith or otherwise in connection with the transactions contemplated hereby and thereby;

(ix) liabilities or obligations under any Contract between a Seller or any Affiliate of Seller and the FCC, or any fines or sanctions imposed by the FCC, with respect to periods prior to the Effective Time;

(x) all liabilities and obligations under Environmental Laws related to, arising from or in connection with the ownership, operation, conduct or condition of the Assets, the Stations or the Real Property prior to the Effective Time, including any such liabilities or obligations arising from corrective action of or with respect to conditions existing or alleged to have existed, or any acts or omissions occurring or alleged to have occurred, prior to the Effective Time (the “Excluded Environmental Liabilities”); and

(xi) any claims asserted against Seller, any Affiliate of Seller, the Stations or any of the Assets based upon any event (whether act or omission) occurring prior to the Closing Date.

1.4 Escrow Deposit. Upon the execution of this Agreement, Buyer shall deliver to JPMorgan Chase, N.A. (the “Escrow Agent”) the sum of One Million Fifty Thousand Dollars (\$1,050,000.00) by wire transfer of immediately available funds (the “Escrow Deposit”). The Escrow Deposit shall be held by the Escrow Agent in an interest bearing account in accordance with the terms of the Escrow Agreement. The Escrow Deposit shall be distributed as provided in the Escrow Agreement. The funds in the Escrow Deposit shall be released to Seller in accordance with Section 8.5 and to Buyer in accordance with Section 8.6. All interest on, or other earnings thereon, the Escrow Deposit shall accrue for the benefit of Buyer until such time as the funds in the Escrow Deposit are released, regardless of whether such funds are released to Seller (provide that pursuant Section 8.5, if applicable, accrued interest shall be paid to Seller) or Buyer in accordance with this Agreement.

1.5 Purchase Price, Payment; Allocation of Purchase Price.

(a) Upon the terms and subject to the conditions set forth in this Agreement, and in consideration for the sale, assignment, conveyance, transfer, bargain, and delivery of the Assets to Buyer pursuant to the terms hereof, the purchase price hereunder (the “Purchase Price”) shall be Twenty One Million Dollars (\$21,000,000.00), subject to the adjustments described in Section 1.6.

(b) At Closing, (i) the Escrow Deposit shall be delivered by Escrow Agent to Seller in cash by wire transfer of immediately available U.S. funds to an account designated by Seller and shall be credited toward Buyer’s payment of the Purchase Price, and both parties shall provide joint written instructions to the Escrow Agent with respect thereto, and (ii) the balance of the Purchase Price in excess of the Escrow Deposit, subject to the adjustments described in Section 1.6 to be made as of the Closing Date, shall be delivered by Buyer to Seller by wire transfer of immediately available U.S. funds to an account designated by Seller.

(c) The Purchase Price (and any adjustments thereto) and any Assumed Obligations shall be allocated among the Assets in accordance with the provisions of Section 1060 of the Code (the “Allocation”). Within one hundred and twenty (120) calendar days of the Closing, Buyer shall prepare the Allocation and submit such Allocation to Seller for its review and comment. Buyer shall consider in good faith any comments that it receives from Seller but shall not be bound by such comments. Buyer and Seller shall each complete, execute and timely file Form 8594 with the Internal Revenue Service with their respective Tax Returns for the taxable year that includes the Closing Date (or such other Internal Revenue Service Form as may then be prescribed for use by the regulations promulgated under the Code (the “Tax Regulations”) to comply with applicable asset acquisition reporting requirements of Section 1060 of the Code and the Tax Regulations thereunder). To the extent Buyer and Seller agree to an allocation (or an allocation with respect to a specific asset), Buyer and Seller agree to act in accordance with such allocation (or an agreed allocation with respect to a specific asset) of the Purchase Price established pursuant to this Section 1.5(c) in the preparation and filing of all Tax

Returns, including Form 8594, and shall take no position inconsistent with such allocation in any proceeding before any Governmental Authority or otherwise.

1.6 Adjustments to the Purchase Price.

(a) Schedule 1.6 sets forth an illustrative balance sheet of the Station Business (the “Illustrative Balance Sheet”) and an illustrative calculation of Working Capital of the Station Business assuming the Closing Date were the date designated on the Illustrative Balance Sheet (the “Illustrative Working Capital”), which Illustrative Working Capital was prepared in accordance with GAAP and in accordance with Seller’s past practices in respect of the Station Business (the “Seller Accounting Policies”), consistently applied. The parties agree that for purposes of preparing the Closing Balance Sheet and calculating the Closing Working Capital, such statements and calculations shall be prepared (i) using the same accounts and line items as set forth on the Illustrative Balance Sheet and (ii) in accordance with the Seller Accounting Policies. No adjustment to the Purchase Price paid at Closing shall be made based on the Illustrative Working Capital.

(b) No later than ninety (90) days following the Closing Date, Buyer shall prepare and deliver to Seller its good faith calculation of the balance sheet of the Station Business as of the Effective Time (the “Closing Balance Sheet”) and the Working Capital as of the Effective Time (the “Closing Working Capital”), each as determined in accordance with the Seller Accounting Policies, consistently applied (the “Adjustment Statement”). Seller shall have thirty (30) days following delivery of the Adjustment Statement during which to notify Buyer of any dispute of any item contained in the Adjustment Statement, which notice shall set forth in reasonable detail the nature and amount of any such dispute. If Seller does not notify Buyer of any such dispute prior to the expiration of such 30-day period, the Adjustment Statement delivered to Seller (and the Closing Working Capital of the Station Business set forth thereon) shall be final, conclusive and binding on the parties (the “Final Adjustment Statement”). In the event that Seller does so notify Buyer of a dispute, Seller and Buyer shall cooperate in good faith to resolve such dispute as promptly as possible. Seller and Buyer shall provide the other party and their representatives’ access at all reasonable times to the properties, books, records, working papers and personnel of the Stations and the Station Business to the extent required to prepare and review the statements provided in this Section 1.6. In the event Buyer fails to timely prepare and deliver to Seller the Adjustment Statement in accordance with this Section 1.6(b), Seller may prepare the Adjustment Statement which shall become the Final Adjustment Statement in accordance with this Section 1.6(b) as if Seller were “Buyer” and Buyer were “Seller” hereunder.

(c) If Seller and Buyer do not resolve any such disputed item within thirty (30) days of the delivery of such notice, such disputed item shall be resolved by an accounting firm with industry experience mutually agreeable to the parties and which does not have a relationship with the parties (the “Accounting Firm”). In connection therewith, the Accounting Firm shall address only items disputed by the parties and may not assign an amount to any disputed item greater than the greatest amount for such item that is claimed by a party or less than the smallest amount for such item that is claimed by a party. The Accounting Firm shall make its determination with respect to any such disputed item as promptly as practicable and such determination shall be final, conclusive and binding on the parties and shall be enforceable in any court of competent jurisdiction and may be entered as a judgment in any such court. Any

expenses relating to the engagement of the Accounting Firm shall be shared equally between Seller and Buyer. The Adjustment Statement, as modified by resolution of any disputed items between Seller and Buyer or by the Accounting Firm, shall be deemed the Final Adjustment Statement.

(d) If the Closing Working Capital as set forth in the Final Adjustment Statement is less than the Target Working Capital, Seller shall pay to Buyer an amount equal to such deficit, and if the Closing Working Capital as set forth in the Final Adjustment Statement is greater than the Target Working Capital, Buyer shall pay to Seller an amount equal to such excess.

(e) Any payment to be made by Seller or Buyer pursuant to Section 1.6(d) shall be made by wire transfer of immediately available funds within three (3) Business Days after the date upon which the Adjustment Statement becomes the Final Adjustment Statement. Any such payment shall constitute an adjustment to the Purchase Price under this Agreement.

ARTICLE II CLOSING AND CLOSING DELIVERIES

2.1 Closing. The term “Closing” as used herein shall refer to the actual conveyance, transfer, assignment, and delivery of the Assets to Buyer in exchange for the payment to Seller by Buyer of the consideration payable pursuant to Section 1.5 hereof and the assumption by Buyer of the Assumed Obligations on the Closing Date, and shall be deemed effective as of the Effective Time. The Closing shall take place at the offices of Hearst Television Inc. at 300 West 57th Street, New York, New York 10019 or such other location as determined by the parties (or by mail, e-mail, or courier delivery of documents executed in counterparts), at 10:00 a.m. on the date that is five (5) Business Days after the date on which the FCC Consent has become a Final Order (such date referred to herein as the “Closing Date”), subject to the satisfaction or waiver of the other conditions set forth in Articles VI and VII of this Agreement, or such other such place and hour as shall be mutually agreed upon by Buyer and Seller; *provided, however*, that notwithstanding Sections 6.1(d) and 7.1(d), Buyer and Seller may mutually agree to waive the requirement that the FCC Consent become a Final Order.

2.2 Closing Deliveries.

(a) At the Closing, Seller shall deliver (or cause to be delivered) to Buyer the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Buyer and its counsel and duly executed by Seller or such other signatory as may be required by the nature of the document:

(i) limited warranty deed(s) in recordable form effective to vest in Buyer good and marketable title to all parcels of the Owned Real Property, in each case free and clear of all Liens (other than Permitted Liens);

(ii) duly executed bills of sale, certificates of title, endorsements, assignments, consents, estoppel certificates, subordination non-disturbance and attornment agreements and other good and sufficient instruments of sale, conveyance, transfer and assignment, sufficient to sell, convey, transfer and assign the Authorizations, the Tangible

Personal Property, the Assumed Contracts, the Real Property Leases, and the other Assets to Buyer free and clear of any Liens (other than Permitted Liens);

(iii) releases, payoff letters and other instruments evidencing the release of any and all Liens applicable to the Assets other than Permitted Liens;

(iv) certified copies of the required consents or resolutions of the directors, members, managers, and/or partners of Seller (or a committee thereof duly authorized), authorizing the execution, delivery and performance by Seller of the transactions contemplated by this Agreement, and certification that such consents or resolutions were duly adopted at a duly convened meeting of the directors, members, managers, or partners or committee, at which a quorum was present and acting throughout or by unanimous written consent, and that such consents or resolutions remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(v) an affidavit of non-foreign status of Seller that complies with Section 1445 of the Code, in the form attached as Exhibit D hereto (the "FIRPTA Certificate");

(vi) a certificate, dated as of the Closing Date, executed by an officer of Seller certifying that the conditions set forth on Sections 6.1(a) and (b) have been satisfied;

(vii) subject to the provisions of Section 1.2 hereof, (x) copies of all Authorizations set forth in Schedule 1.1(a) and (y) to the extent in the possession of Seller or its Affiliates or readily available thereto, copies of all Assumed Contracts (including Real Property Leases) and Station Documents;

(viii) a certificate from the appropriate Governmental Authority of (A) Nevada as to the good standing of Seller and (B) Hawaii as to the good standing as a foreign entity of Seller;

(ix) all Consents and estoppel certificates that Seller is required or has otherwise been able to obtain pursuant to this Agreement;

(x) the Spectrum Auction Contingency Agreement, in the form attached hereto as Exhibit B (the "Spectrum Auction Contingency Agreement");

(xi) a transition services agreement in the form attached hereto as Exhibit C (the "Transition Services Agreement");

(xii) an Intercreditor Agreement executed by Seller, in the form attached hereto as Exhibit E (the "Intercreditor Agreement"); and

(xiii) such other documents to be delivered by Seller as are reasonably necessary to effectuate and document the transactions contemplated herein.

(b) At the Closing, Buyer shall deliver (or cause to be delivered) to Seller the following documents and instruments of conveyance and assignment, in each case reasonably

satisfactory in form and substance to Seller and its counsel and duly executed by Buyer or such other signatory as may be required by the nature of the document:

(i) the Purchase Price, which shall be paid in the manner specified in Section 1.5;

(ii) an instrument or instruments of assumption of the Authorizations, the Assumed Contracts, the Real Property Leases, and the other Assumed Obligations to be assumed by Buyer pursuant to this Agreement;

(iii) a certificate, dated as of the Closing Date, executed by an officer of Buyer, certifying that the conditions set forth in Sections 7.1(a) and (b) have been satisfied;

(iv) certificates from the appropriate Governmental Authority of (A) Delaware as to the good standing of Buyer and (B) Hawaii as to the good standing as a foreign entity of Buyer;

(v) certified copies of the required consents or resolutions of the directors or managers of Buyer, (or a committee thereof duly authorized), authorizing the execution, delivery and performance by Buyer of the transactions contemplated by this Agreement, and certification that such consents or resolutions were duly adopted at a duly convened meeting of the directors or managers, at which a quorum was present and acting throughout or by unanimous written consent, and that such consents or resolutions remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(vi) the Spectrum Auction Contingency Agreement;

(vii) the Transition Services Agreement;

(viii) the Intercreditor Agreement executed by each of Buyer, the other Companies and the Agent party thereto; and

(ix) such other documents to be delivered by Buyer hereunder as are reasonably necessary to effectuate and document the transactions contemplated herein.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

As of the date hereof and, except for representations and warranties expressly made solely as of a prior date, on the Closing Date, Seller represents and warrants to Buyer as follows:

3.1 Good Standing. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada and is qualified to do business in the State of Hawaii. Seller has all requisite corporate power and authority (a) to own, lease, and use the Assets as presently owned, leased, and used, (b) to conduct the Station Business as presently conducted, and (c) to execute and deliver this Agreement and other documents contemplated hereby, and to perform and comply with all of the terms and conditions to be performed and

complied with by Seller hereunder and thereunder and to consummate the sale and purchase of the Assets and the other transactions contemplated hereby and thereby.

3.2 Right, Power and Authority. Seller has taken all requisite corporate action in order to authorize the execution, delivery, and performance of this Agreement and the documents contemplated hereby and the consummation of the sale of the Assets and the other transactions contemplated hereby and thereby, and the execution, delivery and performance of this Agreement and the documents contemplated hereby by Seller have been duly authorized and approved by all necessary corporate action of Seller and do not require any further authorization, action or consent of Seller. This Agreement has been duly executed and delivered by Seller and is the legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity).

3.3 No Conflicts or Defaults. The execution, delivery, and performance of this Agreement by Seller, and the consummation of the sale and purchase of the Assets and any other transaction contemplated hereby, after the giving of notice, or the lapse of time, or both, does not and will not (a) conflict with or result in a breach of the certificate of incorporation, bylaws or other organizational instrument of Seller, (b) violate any Law applicable to Seller, the Assets or the Station Business, (c) subject to Seller obtaining the consents to assignment referred to on Schedule 3.13, constitute grounds for termination of, result in a breach of, constitute a default under, violate or accelerate or permit the acceleration of any performance required by the terms of, any Station Contract to which Seller is a party or by which Seller or the Assets are bound or (d) result in the creation of any Lien, other than Permitted Liens, upon any of the Assets, other than, in the case of clauses (b) and (d) of this Section 3.3, as would not reasonably be expected to have a Material Adverse Effect.

3.4 Broker's Fee. No broker, investment banker, financial advisor or other third party has been employed or retained by Seller, directly or indirectly, in connection with the transactions contemplated by this Agreement or is or may be entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

3.5 FCC Licenses and Other Authorizations.

(a) Schedule 1.1(a) lists all FCC Licenses and all pending applications filed with the FCC as of the date of this Agreement with respect to the Stations. The FCC Licenses and other Authorizations set forth in Schedule 1.1(a) are validly issued by the FCC or other Governmental Authority, as applicable, and are in full force and effect, unimpaired by any act or omission by either Seller or its partners, managers, officers, directors, employees or agents, and have not been revoked, suspended, cancelled, rescinded or terminated, and have not expired. Other than the FCC Licenses and the other Authorizations set forth in Schedule 1.1(a) hereto, no material franchises, licenses, permits, approvals, or authorizations are required in order to legally operate the Stations and conduct the Station Business in the manner and to the full extent that

they are currently operated and will be operated on the Closing Date. Except as set forth on Schedule 1.1(a), the FCC Licenses have been issued for the full terms customarily issued by the FCC for each class of Station, and none of the FCC Licenses are subject to any restriction or condition which would limit the Station Business as presently operated, other than (i) restrictions or conditions set forth in the FCC Licenses and (ii) restrictions or conditions generally applicable to each class of Station.

(b) Except as set forth on Schedule 3.5(b) hereto, other than proceedings of general applicability affecting or purporting to affect television stations of the same class as the Stations, there is not pending or, to Seller's Knowledge, threatened (i) any Action by or before the FCC or by or before any other Governmental Authority to revoke, refuse to renew, suspend, cancel, rescind or modify the FCC Licenses or any other Authorizations set forth in Schedule 1.1(a); or (ii) any petition, investigation, inquiry, complaint, notice of violation, notice of apparent liability, or notice of forfeiture against the Stations or against Seller with respect to the Stations and the Station Business.

(c) Except as set forth on Schedule 1.1(a) hereto, Seller has completed the construction of all facilities or changes contemplated by any of the FCC Licenses or construction permits issued by the FCC to modify the FCC Licenses.

(d) Except as set forth on Schedule 3.5(d) hereto, the Stations and the Station Business are operating in compliance in all material respects with the FCC Licenses and the Communications Act of 1934, as amended, and the rules, regulations and written policies of the FCC promulgated thereunder (collectively, the "Communications Act").

3.6 Seller FCC Qualifications. To Seller's Knowledge, no fact or circumstance exists relating to Seller or the Stations and the Station Business that could reasonably be expected to (i) prevent or delay the FCC's grant of the FCC Consent, (ii) otherwise disqualify Seller as the licensee, owner, or operator of the Stations, or (iii) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent.

3.7 Title to Assets.

(a) Seller has good, valid and marketable title to or a valid leasehold interest in or license to use, as applicable, all of the Assets, free and clear of any Liens, except for Permitted Liens. At the Closing, Seller will convey to Buyer, good, valid and marketable title to, or a valid leasehold interest in or license to use, as applicable, all of the Assets (other than Assets disposed of in the ordinary course of business in accordance with Section 5.8 of this Agreement), free and clear of all Liens (other than Permitted Liens).

(b) Except for the Excluded Assets, the Assets constitute all of the properties, interests, assets and rights of Seller used or held for use in the Station Business. Except as set forth on Schedule 3.7(b) hereto, the Assets, together with Buyer's rights under the Transition Services Agreement, are sufficient to operate the Station Business in all material respects as currently conducted and as conducted as of the Closing Date.

3.8 No Litigation or Violations of Law.

(a) Except for those matters set forth in Schedule 3.8(a) hereto, there is no litigation at law or in equity, no arbitration proceeding, and no proceeding before or by any Governmental Authority or other Action, pending or, to Seller's Knowledge, threatened, (i) relating to the Stations, the Station Business or the Assets or (ii) which would reasonably be expected to have a Material Adverse Effect or materially adversely affect Seller's ability to perform its obligations in accordance with the terms of this Agreement or otherwise impede, prevent or materially delay the consummation of the transactions contemplated by this Agreement.

(b) Except as set forth on Schedule 3.8(b) hereto, Seller owns, leases and operates its properties and assets relating to the Stations and carries on the Station Business, and since January 1, 2013 has operated and carried on the Stations and the Station Business in compliance in all material respects with all applicable Laws. Except as set forth on Schedule 3.8(b), (i) there are no Actions of any Governmental Authority (exclusive of investigations by or before the FCC) pending or, to Seller's Knowledge, threatened against Seller, and (ii) Seller has not received any written notice from any Governmental Authority to the effect that Seller or the Station Business is not in compliance with any applicable Laws or any decrees, judgments or orders of any court or Governmental Authority which are applicable to the Stations or the Station Business.

3.9 Intellectual Property.

(a) Except as set forth on Schedule 3.9 hereto, Seller owns all right, title and interest in and to, or has valid license rights to, all of the Intellectual Property, except as would not reasonably be expected to have a Material Adverse Effect. Except for the items described in Section 1.2(j), all material Intellectual Property owned by or licensed to Seller and primarily used or primarily held for use in the Station Business are disclosed in Schedule 1.1(d) hereto. Seller has all right and authority to use the call letters "KITV-TV," "KITV-DT," "KITV" and "KITV(TV);" and "KMAU-TV," "KMAU-DT," "KMAU" and "KMAU(TV);" and "KHVO-TV," "KHVO-DT," "KHVO" and "KHVO(TV)" in connection with the Station Business and to transfer such rights to Buyer at Closing.

(b) Schedule 3.9 hereto sets forth all trademarks or service marks included in the Intellectual Property registered in the name of Seller or any Seller Affiliate with respect to the Station Business with the United States Patent and Trademark Office or any similar office.

(c) To Seller's Knowledge, the Station Business as conducted by Seller does not infringe upon, misappropriate or conflict with any rights (including intellectual property rights) owned or held by any other Person, in a material manner. To Seller's Knowledge, no Person is infringing, misappropriating or otherwise conflicting with the rights of Seller in any Intellectual Property. There are no claims pending or, to Seller's Knowledge, threatened by any Person in respect of the ownership, validity, enforceability or use of any of the Intellectual Property.

3.10 Contracts.

(a) Schedule 3.10(a) hereto sets forth as of the date hereof (x) each Contract (other than Real Property Leases) primarily used or primarily held for use in the Station Business and meeting the following criteria and (y) each Assigned Portion of the Group Contract meeting the following criteria:

- (i) that is a network affiliation agreement;
- (ii) that is a film or program license agreement or similar agreement or contract for rights of the Stations to broadcast television programs or shows as part of the Stations' programming pursuant to which Seller is obligated to pay fees or provide barter valued at in excess of Fifty Thousand Dollars (\$50,000.00) in the aggregate for such Contract;
- (iii) that is with a Station Employee (except terminable-at-will at any time employment agreements that do not provide for any post-employment or post-consulting liabilities or obligations, including severance pay);
- (iv) with any Affiliate of Seller;
- (v) that is a noncompetition or similar agreement restricting Seller or the Station Business;
- (vi) relating to any ownership interest by Seller in any corporation, partnership, joint venture, other business enterprise or third party or other similar arrangement involving co-investment with a third party;
- (vii) under which payments or obligations will be increased, accelerated or vested, or which may be terminated or become terminable, by the occurrence (whether alone or in conjunction with any other event other than the failure by Seller to obtain a third-party consent that is required to assign any such Contract) of any of the transactions contemplated by this Agreement, or under which the value of the payments or obligations will be calculated on the basis of any of the transactions contemplated by this Agreement, including any payments or compensation increase due to Station Employees;
- (viii) that is a retransmission consent agreement with any MVPD with more than 5,000 subscribers in the Market;
- (ix) that contains any collective bargaining or similar agreements;
- (x) relating to the guarantee (whether absolute or contingent) by Seller of the performance of any third party;
- (xi) that (A) involves the aggregate payment or potential payment by or to Seller of more than Fifty Thousand Dollars (\$50,000.00) annually or (B) cannot be terminated within twelve (12) months after giving notice of termination and without resulting in any material cost, penalty or liability to Seller (it being understood that a Contract that expires within twelve (12) months of the date hereof in accordance with its terms (and that is not subject by its terms to an extension or automatic renewal period that will be exercised or triggered prior to Closing and that would extend beyond twelve (12) months of the date hereof) shall be treated as

terminable within twelve (12) months and shall not require disclosure under Section 3.10(xi)(B);

(xii) with any television station in the Market that is a local marketing agreement, time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, news sharing agreement or other similar Contract with respect to any of the Stations;

(xiii) other than as set forth on Schedule 1.1(a), with any Governmental Authority;

(xiv) that is otherwise material to the Stations or the Station Business; or

(xv) relating to the disposition of any assets or properties of Seller in respect of the Stations or the Station Business, other than inventory sold in the ordinary course of business consistent with past practices.

(b) Except as otherwise disclosed on Schedule 3.10(b), Seller has made available to Buyer true and complete copies of all written Contracts, including all amendments, supplements and extensions thereto, and true and complete summaries of all material oral Contracts, listed or required to be listed on Schedule 3.10(a), other than Excluded Contracts (such Contracts, "Station Contracts"). Except as otherwise disclosed in Schedule 3.10(b) hereto, the Station Contracts are in full force and effect, and are legal, valid and binding obligations of Seller, and to Seller's Knowledge, each other party thereto, and enforceable against Seller and, to Seller's Knowledge, each other party thereto in accordance with their terms. Seller has performed in all material respects and is not in breach, nor to Seller's Knowledge is any other party in breach, in any material respect of the terms of any of the Station Contracts, nor has Seller received any written notice of breach from the other party to any Station Contract. Except as expressly set forth in Schedule 3.10(b), Seller is not aware of any intention of any party to any Station Contract (x) to terminate such Station Contract other than in accordance with the terms of such Station Contract, or to amend the terms thereof, (y) to refuse to renew the same upon expiration of its term, if such Station Contract contemplates renewal or (z) to renew the same upon its expiration only upon terms and conditions which are materially less favorable to Seller. Assuming that the Consents shall have been obtained, Seller has full legal power and authority to assign its rights under the Station Contracts to Buyer in accordance with this Agreement.

(c) Except as set forth on Schedule 1.2(g) hereto, none of the Assumed Contracts are Group Contracts.

3.11 Insurance. Seller either self-insures or has in full force and effect insurance insuring the properties and assets of the Stations included in the Assets. Seller will make available to Buyer, at Buyer's request, a copy of the insurable values listing for such assets. Seller has not received any written notice, and to Seller's Knowledge, any other notice from any insurance company of any defects or inadequacies in the Assets or the premiums of the insurance thereon. Seller has not received any written notice, and to Seller's Knowledge, any other notice, from any insurance company which has issued or refused to issue a policy with respect to any portion of the Assets or from any board of fire underwriters (or other body exercising similar

functions) requesting that Seller perform any repairs, alterations or other work to the Assets, with which full compliance has not been made. Except as set forth on Schedule 3.11, there are no material claims pending in respect of the Assets or the Stations covered by such insurance policies.

3.12 Condition of Tangible Personal Property. Schedule 1.1(b) contains a list of all material items of Tangible Personal Property. Except as set forth on Schedule 3.12, the Tangible Personal Property (a) are free of material defects (latent and patent) and are in good operating condition and repair, ordinary wear and tear excepted, taking into account age and normal usage, and (b) have been maintained in accordance with normal industry practice, and (c) are owned by Seller free and clear of Liens (other than Permitted Liens).

3.13 Consents. Except for the FCC Consent and the Consents described in Schedule 3.13 or Schedule 6.1(c), no consent, approval, permit, or authorization of, or declaration to, notice or filing with, any Governmental Authority or any counterparty to a Station Contract is required to be obtained or made by Seller (a) in connection with the execution, delivery or performance under this Agreement or the consummation of the transactions contemplated by this Agreement, or (b) to permit Seller to assign or transfer the Assets to Buyer as contemplated by this Agreement.

3.14 Employee Benefits.

(a) Schedule 3.14 sets forth each “employee benefit plan” (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) and any other employee benefit plan, program, agreement or arrangement maintained, provided, contributed to or required to be contributed to by Seller or any ERISA Affiliate of Seller, for the benefit of employees of the Stations, including any Compensation Arrangement (collectively, the “Employee Benefit Plans”). “ERISA Affiliate” means with respect to any entity (i) a member of any “controlled group” (as defined in section 414(b) of the Code) of which that entity is also a member, (ii) a trade or business, whether or not incorporated, under common control (within the meaning of section 414(c) of the Code) with that entity, or (iii) a member of an affiliated service group (within the meaning of section 414(m) of the Code) of which that entity is also a member. “Compensation Arrangement” means any bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, or profit sharing plan, program, agreement, or arrangement for the benefit of any current or former employee, director, or independent contractor of the Stations. There is no pending, nor to Seller’s Knowledge, threatened or anticipated, audit or examination of any Employee Benefit Plan or Compensation Arrangement by any Governmental Authority. For each Employee Benefit Plan, Seller has delivered to Buyer a complete copy of the current summary plan description and any material modifications thereto, if any. There exists no action, suit, or claim (other than routine claims for benefits) pending, or, to Seller’s Knowledge, threatened or anticipated, against any such Employee Benefit Plan. Other than as contained in any written employment agreement or collective bargaining agreement, to Seller’s Knowledge, as of the date hereof, there have been no statements or communications made or materials provided to any Station Employee that is a Contract or promise that Buyer will provide for any pension, welfare or other compensation or benefit to any such Station Employee, whether before or after retirement.

(b) Each Employee Benefit Plan has been operated and administered in material compliance and currently is in material compliance, both as to form and operation, with its terms and all applicable laws, including the requirements of ERISA and the Code. No “prohibited transaction,” within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Employee Benefit Plan and no fiduciary (within the meaning of Section 3(21) of ERISA) of any Employee Benefit Plan subject to Part 4 of Title I of ERISA has committed a breach of fiduciary duty that could subject Seller to any material liability. Each Employee Benefit Plan intended to be “qualified” within the meaning of Section 401(a) of the Code has received a favorable determination letter, and, to Seller’s Knowledge, nothing has occurred subsequent to the date of such favorable determination letter that could adversely affect the qualified status of any such plan. All required premiums for, contributions to, and payments from, the Employee Benefit Plans due on or before the Closing Date have been timely made or are reflected on the Closing Balance Sheet. All such contributions that are meant to be tax deductible have been fully deducted by the Seller or its ERISA Affiliates, as applicable, for federal income Tax purposes.

3.15 Employment and Labor Matters.

(a) Schedule 3.15(a) contains a true, complete and correct list of the names and positions of all employees engaged by Seller principally in connection with the Stations as of the date of this Agreement (the “Station Employees”), including each of their respective job titles, dates of hire and rates of pay, it being understood that any employee of Seller whose principal work location is not at the Stations or whose employment responsibilities relate substantially to the corporate operations of Seller or the business of all of the Stations and Other Seller Stations taken as a whole shall be deemed not a Station Employee for any purpose hereunder (a “Non-Station Employee”). Seller is in compliance with, and has received no written notice alleging that Seller has failed to comply with, in any material respect, all applicable Laws relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes. No controversies, disputes, or proceedings are pending, or, to Seller’s Knowledge, threatened or anticipated, between Seller and any Station Employee (singly or collectively). Except as disclosed on Schedule 3.10(a), Seller is not party to, or subject to, any collective bargaining agreements with respect to the Stations or the Station Employees. No campaign to establish such representation has been since January 1, 2013 or is currently in progress and there is no pending or, to Seller’s Knowledge, threatened, labor dispute involving the Stations or the Station Business and any group of their respective employees or independent contractors. The Stations have not experienced any labor interruptions or threats in the past three (3) years.

(b) Except as disclosed in Schedule 3.15(b) hereto, there is no material labor trouble, dispute, grievance, controversy, strike, union representation, or request for union representation pending, or, to Seller’s Knowledge, threatened, against Seller relating to or affecting the Stations or the Station Business. All independent contractors who have rendered services to Seller at the Stations as non-employees have been properly treated for all federal state, local and foreign tax purposes, as well as ERISA and employee benefits purposes. To Seller’s Knowledge, there has been no determination by any Governmental Authority that any

independent contractor is or was an employee of Seller, and Seller has not received any written notice alleging that any individuals retained by Seller with respect to the Stations or the Station Business as an independent contractor or consultant could be reasonably expected to be reclassified by the Internal Revenue Service, the U.S. Department of Labor or any other governmental entity as an employee of the Seller for any purpose whatsoever.

(c) To Seller's Knowledge, no Station Employee or any independent contractor has been employed or retained in violation of any restrictive covenant, non-compete agreement, non-solicitation agreement or confidentiality agreement to which such employee or independent contractor is a party, and no Person has made an allegation or asserted a claim that Seller has hired any employee or retained any independent contractor in violation of any such restrictive covenant, non-compete agreement, non-solicitation agreement or confidentiality agreement. Seller has not received notice of any pending or actual termination or cancellation of the employment relationship between Seller in respect of the Station Business and any management or executive employee, on-air talent or sales or marketing team member. Seller has not taken any action that could constitute a "mass layoff," "mass termination" or "plant closing" within the meaning of WARN Act or otherwise trigger notice requirements or liability under any federal, local, provincial, state or foreign plant closing notice or collective dismissal Law or any collective bargaining agreement.

3.16 Taxes.

(a) Seller has filed or caused to be filed all material income Tax Returns and all other material U.S. federal, state, county, local, city or foreign Tax Returns which are required to have been filed by Seller with respect to the Assets and the Station Business. Seller has paid or caused to be paid all material Taxes (whether or not reflected on any Tax Return) that are due and owing with respect to the Assets and the Station Business, or has set aside on its Closing Balance Sheet adequate reserves (segregated to the extent required by GAAP). Except as set forth on Schedule 3.16, no deficiencies for Taxes with respect to the Assets or the Station Business have been claimed, proposed or assessed in writing by any Governmental Authority, or to Seller's Knowledge, are pending or threatened with respect to the Assets or the Station Business.

(b) Except as set forth on Schedule 3.16, and in each case as it pertains to the Assets and the Station Business, Seller (i) has not received any written notice that it is being audited by any Governmental Authority which audit has not yet been completed, (ii) has not granted any presently operative waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax other than as the result of extending the due date of a Tax Return, (iii) has not granted to any Person a power of attorney with respect to Taxes, which power of attorney will be in effect as of or following the Effective Time and (iv) has not availed itself of any Tax amnesty or similar relief from any Governmental Authority.

(c) Seller has withheld and paid all Taxes required to be have been withheld and paid on or prior to the Closing Date in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party with respect to the Station Business, and all IRS Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(d) As it pertains to the Assets and the Station Business, Seller is not bound by any Tax sharing agreement or similar arrangements (including any indemnity arrangements), other than Contracts entered into in the ordinary course of business the principal subject of which is not Taxes.

(e) Seller is a “United States person” within the meaning of Section 7701 of the Code.

(f) Seller is not, nor has been, a party to, a “listed transaction” within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2) or, to Seller’s Knowledge, a “reportable transaction” within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b).

(g) Within the past six (6) years, Seller has received no written claim by a Governmental Authority in a jurisdiction where the Seller has not filed a Tax Return with respect to the Assets or the Station Business that it is or may be subject to taxation by that jurisdiction, which claim has not been fully paid or settled.

3.17 Reports. All material returns, reports, and statements which the Stations are currently required to have filed with the FCC or with any other Governmental Authority have been filed, and all material reporting requirements of the FCC and other Governmental Authorities having jurisdiction over the Stations have been complied with. All of such reports, returns, and statements are complete and correct in all material respects as filed. Such portions of the Stations’ public inspection files as are required by the FCC to be maintained in physical form are located at the Stations’ main studio and such portions of the Stations’ public inspection files as are required by the FCC to be maintained online are posted to the Stations’ FCC online public file. The Seller has paid all FCC regulatory fees due and payable by the Seller with respect to the Stations.

3.18 Financial Statements. Seller has made available to Buyer the unaudited balance sheet and statements of cash flow and operations for the year ended December 31, 2014, and December 31, 2013 with respect to the Station Business (collectively, the “Financial Statements”). The Financial Statements have been prepared in accordance with GAAP, consistently applied, and present fairly, in all material respects, the financial position of the Station Business as of the respective dates and the results of its operations and cash flows for the periods then ended. The books and records of Seller are consistent in all material respects with the Financial Statements. Except as set forth on Schedule 3.18 hereto, Seller has not, between the last day of its most recently ended fiscal year and the date of this Agreement, made or adopted any material change in its accounting methods, practices or policies in effect on such last day of its most recently ended fiscal year. Except as set forth on Schedule 3.18, Seller has no material liabilities or obligations of any kind or nature, whether known or unknown, absolute or contingent, accrued or unaccrued, in respect of the Station Business or Assets which would be required to be disclosed on a balance sheet prepared in accordance with GAAP or the notes thereto (assuming the Station Business were a stand-alone entity), except for liabilities which are (a) reflected or reserved for in the Financial Statements, or (b) liabilities incurred in the ordinary course of business since December 31, 2014. The Station Business has no indebtedness for borrowed money or capitalized lease obligations.

3.19 Real Property.

(a) Schedule 1.1(e) contains a true and correct list of all real property that is owned in fee simple by Seller primarily in connection with the Station Business (together with Seller's right, title and interests in and to any appurtenant easements, buildings, structures, fixtures and other improvements thereon, the "Owned Real Property"). Seller is the sole owner and has good, valid, marketable and insurable interest to each parcel of Owned Real Property listed on Schedule 1.1(e), free and clear of any Liens incurred or suffered by Seller, other than Permitted Liens. Seller is not party to any Real Property Leases, subleases, licenses, concessions, or other Contracts granting to any party or parties the right of use or occupancy of any portion of any such parcel of Owned Real Property, except for those listed on Schedule 1.1(e). Seller has delivered or otherwise made available to Buyer true, correct and complete copies of all deeds, title insurance reports and policies, exception documents, Real Property Leases and related documents and information and surveys for the Owned Real Property (collectively, the "Fee Title Documents") in Seller's possession. To Seller's Knowledge, no party to any reciprocal easement agreement or other Fee Title Document affecting or relating to the Owned Real Property is in material default under any of the terms and conditions of any such reciprocal easement agreement or other Fee Title Document.

(b) Schedule 1.1(e) lists, as of the date of this Agreement, by street address or other location information, all parcels of real property used by Seller primarily in connection with the Station Business in which Seller, as lessee, sublessee or licensee, as the case may be, has a leasehold or license interest or estate (together with any rights, title and interest of Seller pursuant to a Real Property Lease therefor and all improvements thereon, the "Leased Real Property"), and identifies the applicable Real Property Lease, the lessor, sublessor, or licensor as the case may be, thereof, the remaining term of such Real Property Lease (including any extension or renewal terms), and whether any consent from or notice to the lessor, sublessor, or licensor, as the case may be, is required in connection with the transfer of the Assets to Buyer in accordance with this Agreement. To Seller's Knowledge, except as set forth on Schedule 1.1(e), Seller holds good, valid, existing and enforceable leasehold interests or a license in all of the Leased Real Property. Except as permitted in any Real Property Lease, to Seller's Knowledge, neither Seller, nor any other Person has granted any oral or written right to any Person other than Seller to lease, sublease, license or otherwise use or occupy any of the Leased Real Property beyond the end of the applicable periods of the applicable Real Property Lease. Seller has delivered or otherwise made available to Buyer true, correct and complete copies of (i) the Real Property Leases (and all amendments and modifications thereto), and (ii) all title insurance reports and policies, if any, together with underlying title exception documents, surveys, related documents and information pertaining to Leased Real Property in Seller's possession (the items provide under this clause (ii) are collectively referred to herein as the "Lease Title Documents" and, together with the Fee Title Documents, the "Title Documents"). Seller has peaceful and undisturbed possession under all leases with respect to the Leased Real Property. With respect to each Real Property Lease:

(i) To Seller's Knowledge, such Real Property Lease is valid, binding, enforceable and in full force and effect;

(ii) Seller is not in material breach or default under any such Real Property Lease, and no event has occurred or circumstance exists that, with the delivery of notice, passage of time or both, would constitute such a material breach or material default thereunder; and

(iii) Seller has not, since December 31, 2013, received or given any notice of any material default or event that with notice or lapse of time, or both, would constitute a material default by Seller under any of the Real Property Leases and, to Seller's Knowledge, no other party is in material default thereof, and no party to any Real Property Lease has exercised any termination rights with respect thereto.

(c) The Real Property and the easement held by Maui Television Broadcasters, LLC constitute all interests in real property currently used in or held for use in connection with the Station Business and which are necessary for continued Station Business as currently conducted. Seller owns, leases or has the legal right to use in the ordinary course of business all easements, rights of entry and rights-of-way, if any, which are material to the Station Business. To Seller's Knowledge, all of the buildings, fixtures and improvements owned by Seller located on the Real Property are in good operating condition and repair (subject to normal wear and tear), are suitable for current Station Business and no condition exists that interferes or could interfere, in any material respect, with Seller's current use and operation thereof. Except as set forth on Schedule 3.19(c), to Seller's Knowledge, there do not exist any actual or threatened condemnation or eminent domain proceedings that affect any Real Property or any part thereof, and Seller has not received any written notice, or, to Seller's Knowledge, oral notice, of the intention of any Governmental Authority or other Person to take or use all or any part thereof.

(d) To Seller's Knowledge, all material improvements on the Real Property conform to applicable Laws and all use restrictions, and all Real Property is zoned for the various purposes for which the Real Property and any improvements thereon are presently being used. Except as set forth on Schedule 3.19(d), within the past two (2) years, Seller has not received any written notice of any material violation of any material Law affecting the Real Property or Seller's use thereof which remains uncured. All material Authorizations required for the occupancy and operation of the Real Property as presently being used have been obtained and are in full force and effect and, except as set forth on Schedule 3.19(d), Seller has not received any written notice of violation in connection with such Authorizations which remains uncured. To Seller's Knowledge, no studies or reports indicate any material defects in the design or construction of any of the improvements located on the Real Property.

3.20 Environmental Laws and Regulations. Except as set forth on Schedule 3.20: (a) Seller is and, to Seller's Knowledge since January 1, 2013 has been, in compliance in all material respects with all Environmental Laws applicable to the Stations, the Station Business and the Real Property, which compliance includes obtaining, maintaining and complying with all Authorizations required by Environmental Law; (b) no Actions are pending or, to Seller's Knowledge, threatened against Seller, the Stations, the Station Business or the Real Property alleging a violation of or liability under Environmental Laws; (c) to Seller's Knowledge, no conditions exist at the Stations, the Real Property or any facility to which Seller arranged for the disposal of Hazardous Material that would reasonably be expected to result in Seller or the

owner or operator of the Stations, the Real Property or the facility incurring liability under Environmental Laws; (d) to Seller's Knowledge, there have been no Releases of Hazardous Materials in violation of Environmental Laws at, from, to, on or under any Real Property; and (e) to Seller's Knowledge, there are no Hazardous Materials generated, disposed, or present in, on, or under the Real Property except for such Hazardous Materials as are (i) reasonably necessary for the customary operation of the Stations and the Station Business, and (ii) used, stored, handled and disposed in compliance with Environmental Laws. Seller has made available to Buyer copies of all Authorizations applicable to Seller in the operation of the Stations, Station Business and Real Property under Environmental Laws and copies or summaries of all environmental assessments, audits, inspections, investigations, surveys or other environmental reports relating to the Station Business, Stations or the Real Property that are in the possession, custody or control of Seller. The representations and warranties contained in this Section 3.20 (Environmental Laws and Regulations) are the sole and exclusive representations and warranties relating to Environmental Law and/or Hazardous Material.

3.21 MVPD Matters. Schedule 3.21 contains, as of the date hereof, (i) a list of all retransmission consent agreements with MVPDs that carry the Stations, (ii) a list of the MVPDs that, to Seller's Knowledge, carry the Stations outside of the Market, and (iii) a list of the MVPDs with more than 5,000 subscribers in the Market that carry the Stations, including, in the case of (ii) and (iii), the channel position of the Stations (including any multicast channel) on each MVPD. To Seller's Knowledge, Seller has entered into retransmission consent agreements with respect to each MVPD with more than 5,000 subscribers in the Market and each such retransmission consent agreement is current and effective, and is included in the Assumed Contracts. Except as set forth on Schedule 3.21, (x) no MVPD with more than 5,000 subscribers in the Market has provided written notice to Seller of any material signal quality issue or has failed to respond to a request for carriage or, to Seller's Knowledge, sought any form of relief from carriage of a Station from the FCC and (y) Seller has not received any written notice from any MVPD with more than 5,000 subscribers in the Market of such MVPD's intention to delete a Station from carriage or to change a Station's channel position.

3.22 Stations Operations. Since December 31, 2014, Seller has operated the Stations and the Station Business in the ordinary course of business consistent with past practices and there have not been any events, changes or occurrences or state of facts that, individually or in the aggregate, have had or would reasonably be expected to have, a Material Adverse Effect. Since December 31, 2014, except as set forth in Schedule 3.22 hereto, Seller has not taken, or permitted to be taken, any actions that if taken after the date of this Agreement would constitute a breach of Section 5.8 of this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof and, except for representations and warranties made solely as of a prior date, on the Closing Date, Buyer represents and warrants to Seller as follows:

4.1 Good Standing. Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified (or will be qualified as of the Closing) to do business in the State of Hawaii. Buyer has all requisite power and authority,

and holds all material rights, franchises, licenses, permits, authorizations, and approvals (governmental and otherwise) necessary, to consummate the transactions contemplated by this Agreement.

4.2 Right, Power and Authority. Buyer has the full corporate power and authority to enter into, to execute and deliver, and to perform its obligations under, this Agreement and any other instruments contemplated hereby, and Buyer has taken all requisite corporate action in order to authorize the execution, delivery, and performance of this Agreement and the transactions contemplated hereby and thereby, and the execution, delivery and performance of this Agreement and the documents contemplated hereby by Buyer have been duly authorized and approved by all necessary corporate action of Buyer and do not require any further authorization, action or consent of Buyer. This Agreement has been duly executed and delivered by Buyer and is the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity).

4.3 Buyer Qualifications. Other than, to the extent necessary in accordance with 47 C.F.R. § 73.3555 and Note 5 thereto or under 47 C.F.R. § 73.1125, a satellite and/or main studio waiver to permit Buyer to continue to operate KMAU and KHVO as "satellite stations" of KITV from KITV's main studio (the "Waiver"), (i) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate each of the Stations under the Communications Act, and Buyer has taken no action and will not take any action that would be likely to cause such disqualification prior to the Closing Date; (ii) there are no facts or circumstances that would, under the Communications Act, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations; (iii) no waiver of or exemption from any provision of the Communications Act, as may be applicable to Buyer, is necessary for the FCC Consent to be obtained; (iv) there are no facts or circumstances with respect to the FCC qualifications of Buyer that might reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify Buyer, (b) materially delay obtaining the FCC Consent or (c) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent; (v) neither Buyer nor any Person with an attributable ownership interest in Buyer under the Communications Act has any other attributable ownership interest in any media property in the Market; and (vi) Buyer is not a party to any local marketing agreement, time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, news sharing agreement or other similar Contract with any broadcast television station in the Market.

4.4 No Conflicts or Defaults. The execution, delivery, and performance of this Agreement by Buyer, and the consummation of the sale and purchase of the Assets and any other transaction contemplated hereby or thereby, after the giving of notice, or the lapse of time, or does not and will not, (a) conflict with or result in a breach of the certificate of incorporation or bylaws of Buyer, (b) violate any Law applicable to Buyer, or (c) constitute grounds for termination of, result in a breach of, constitute a default under, violate or accelerate or permit the acceleration of any performance required by the terms of, any material Contract to which Buyer

is a party or by which Buyer is bound, other than, in the case of clause (b) of this Section 4.4, as would not reasonably be expected to have a material adverse effect on Buyer.

4.5 No Litigation or Violation of Law.

(a) There is no litigation at law or in equity, no arbitration proceeding, and no proceeding before or by any Governmental Authority or any other Action, pending or, to Buyer's knowledge (which for purposes hereof, shall be defined as the actual knowledge after reasonable inquiry of George Lilly, Kevin Lilly, Brian Lilly and Wade O'Hagan), threatened, which would reasonably be expected to materially and adversely affect Buyer's ability to perform its obligations pursuant to the terms of this Agreement.

(b) Buyer is in compliance in all material respects with all applicable Laws, except as would not reasonably be expected to materially and adversely affect upon Buyer's ability to perform its obligations pursuant to the terms of this Agreement.

4.6 Consents. Except for the FCC Consent, no material consent, approval, permit, or authorization of, or declaration or notice to, or filing with, any Governmental Authority or any other third party is required to be obtained or made by Buyer in order (a) to consummate the transactions contemplated by this Agreement, or (b) to permit Buyer to acquire or assume the Assumed Obligations or Assets from Seller.

4.7 Broker's Fee. No broker, investment banker, financial advisor or other third party has been employed or retained by Buyer, directly or indirectly, in connection with the transactions contemplated by this Agreement or is or may be entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

4.8 Sufficient Funds. Buyer has obtained all necessary financing commitments to consummate the purchase of the Assets and Buyer has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to consummate the transactions contemplated by this Agreement, including but not limited to making payment of the Purchase Price and all related fees and expenses, and to perform its obligations under this Agreement, including payment of any other amounts to be paid by it in accordance with the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, Buyer acknowledges and agrees that Buyer's obligation to consummate the transactions contemplated herein, including full payment of the Purchase Price is not conditioned upon Buyer's ability to obtain any sort of debt or equity financing and that any breach of the representations made in this Section 4.8 resulting in failure of Buyer to consummate the transactions contemplated by this Agreement shall constitute a material breach by Buyer of this Agreement giving rise to Seller's right to terminate this Agreement under Section 8.1(c) hereof and/or seek the remedies to which Seller is entitled to herein.

4.9 Projections and Other Information. Buyer acknowledges that, with respect to any estimates, projections, forecasts, business plans and budget information relating to Seller, the Station Business, the Assets and/or the Stations that Buyer has received from Seller or any of its

Affiliates, (a) Seller makes no representation or warranty, (b) Buyer is not relying on such documentation in making its determination with respect to signing this Agreement or completing the transactions contemplated hereby, (c) there are uncertainties inherent in attempting to make such estimates, projections, forecasts, plans and budgets, and there is no assurance that any projected or forecasted results will be achieved (d) Buyer is familiar with such uncertainties, (e) Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it, and (f) Buyer does not have, and will not assert, any claim against Seller or any of its directors, officers, members, managers, employees, affiliates or representatives, or hold Seller or any such Persons liable, with respect thereto. Buyer represents and warrants that neither of Seller nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller, the Stations, the Station Business, the Assets or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and neither Seller nor any of its affiliates or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or its representatives or Buyer's use of, any such information, including any confidential memoranda distributed on behalf of Seller relating to Seller or other publications or data room information provided to Buyer or its representatives, or any other document or information in any form provided to Buyer or its representatives in connection with the sale of the Assets and the transactions contemplated hereby. Notwithstanding anything in this Section 4.9 to the contrary, nothing in this Section 4.9 will in any way limit Buyer's rights with respect to representations and warranties of Seller explicitly included herein.

4.10 Solvency. Assuming (a) the satisfaction of the conditions in Article VI hereof, and (b) the accuracy in all material respects of the representations and warranties of Seller set forth in Article III hereof, then immediately after giving effect to the transactions contemplated by this Agreement, including any financing, any other repayment or refinancing of debt contemplated in this Agreement, payment of all amounts required to be paid in connection with the consummation of the transactions contemplated hereby, and payment of all related fees and expenses, Buyer shall be Solvent. For purposes of this Agreement: (1) "Solvent", when used with respect to Buyer, means that, as of any date of determination, (A) the Present Fair Salable Value of its assets will, as of such date, exceed all of its liabilities, contingent or otherwise, as of such date, (B) Buyer will not have, as of such date, an unreasonably small amount of capital for the business in which it is engaged or will be engaged and (C) Buyer will be able to pay its debts as they become absolute and mature, in the ordinary course of business, taking into account the timing of and amounts of cash to be received by it and the timing of and amounts of cash to be payable on or in respect of its indebtedness, in each case after giving effect to the transactions contemplated by this Agreement, and the term "Solvency" shall have a correlative meaning; (2) "debt" means liability on a "claim"; (3) "claim" for purposes of this Section 4.10 means (i) any right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or (ii) the right to an equitable remedy for a breach in performance if such breach gives rise to a right to payment, whether or not such equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; and (3) "Present Fair Salable Value" means the amount that may be realized if the aggregate assets of Buyer (including goodwill) are sold as an entirety with

reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises.

ARTICLE V COVENANTS

5.1 FCC Approval.

(a) The consummation of the transactions contemplated hereby is subject to the prior consent and approval of the FCC. Buyer and Seller shall jointly file with the FCC one or more applications (the "FCC Applications") requesting (i) FCC consent to the assignment of the FCC Licenses to Buyer and (ii) to the extent necessary, the Waiver (to be prepared by Buyer for Buyer's portion of the FCC Applications) within ten (10) Business Days after the execution of this Agreement. FCC consent to the FCC Applications with respect to the FCC Licenses and grant of the Waiver, each without any material adverse conditions other than those of general applicability, are referred to collectively herein as the "FCC Consent." Buyer and Seller shall each pay its own expenses in connection with the preparation and prosecution of the FCC Applications and shall share any filing fee(s) associated with the FCC Applications equally; provided, however, that neither Buyer nor Seller shall be required to pay consideration to any third party to obtain FCC Consent, except as contemplated in this Section 5.1(a). Seller and Buyer shall diligently prosecute the FCC Applications before the FCC, including opposing any petitions to deny filed against the FCC Applications to the extent that any such petition or objection relates to such party. Each party shall promptly provide to the other party a copy of any pleading, order or other document served on them or a copy of any formal inquiry or request by the FCC or the substance of any informal FCC inquiry relating to any such FCC Application. Other than as contemplated herein, neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the receipt of the FCC Consent. Without limiting the foregoing, Buyer shall not enter into or commit to become a party to any local marketing agreement, time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, news sharing agreement or other similar Contract with any broadcast television station in the Market prior to Closing.

(b) If required by the FCC staff, Seller agrees that, to the extent reasonably necessary to expedite the grant of the FCC Application with respect to each Station, Seller shall enter into customary tolling, assignment and assumption or similar agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against such Station in connection with (i) any pending complaints that such Station aired programming that contained obscene, indecent or profane material or (ii) any other enforcement matters against such Station with respect to which the FCC may permit Seller to enter into a tolling, assignment or assumption agreement; provided, that Seller shall not be required to enter into any escrow agreement or otherwise agree to fund any escrow. Buyer and Seller shall consult in good faith with each other prior to Seller entering into any such tolling, assignment or assumption agreement under this Section 5.1(b).

(c) Without limiting the provisions of Section 5.1(a) or Section 5.1(b), each party hereto covenants and agrees to use commercially reasonable efforts to eliminate

impediments and to obtain all necessary consents under the Communications Act that may be required by the FCC or any other Governmental Authority having competent jurisdiction so as to enable the parties to consummate the transactions contemplated hereunder as promptly as practicable, including (i) filing amendments or modifications of the FCC Applications, as may be requested by the FCC, (ii) taking such other actions with respect to the FCC as may be reasonably necessary in connection with the transactions contemplated hereby and (iii) cooperating in good faith with the other party hereto with respect to the foregoing, all as may be reasonably determined by Buyer or Seller to be necessary, appropriate or advisable in order to consummate the transactions contemplated by this Agreement in a manner and within the time period contemplated by this Agreement.

(d) If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and neither party shall have terminated this Agreement pursuant to its rights under Section 8.1 below, the parties shall jointly request an extension or extensions of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 8.1.

5.2 Cooperation. Subject to the terms and conditions of this Agreement, prior to the Closing Buyer and Seller shall use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary under applicable Law to consummate the transactions contemplated hereby, including furnishing information to the other party required in connection with obtaining any Consents or making any filings with Governmental Authorities.

5.3 Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Assets (including all Tangible Personal Property and Real Property) at all times until the Closing, and Buyer shall bear the risk of any such loss or damage after the Closing.

(b) Without limiting the provisions of Section 5.3(a), if prior to the Closing any Tangible Personal Property or Real Property (“Property”) is lost, damaged or destroyed or otherwise not in the condition described in this Agreement, then:

(i) Seller shall promptly notify Buyer of such loss, damage or destruction of such Property, which notice shall specify in reasonable detail the nature of such loss, damage or destruction, the cause thereof (if known or reasonably ascertainable) and the insurance coverage, if any, available with respect to such lost, damaged or destroyed Property; *provided, however,* that, without limiting Seller’s obligations pursuant to Section 5.3(a), 5.3(b)(ii), 5.3(b)(iii) and 5.3(c), which shall apply irrespective of the value of the lost, damaged or destroyed Tangible Personal Property, Seller shall not be required to deliver the notice contemplated by this Section 5.3(b)(i) if the value of the lost, damaged or destroyed Property is less than Fifty Thousand Dollars (\$50,000.00) in the aggregate;

(ii) Seller shall use commercially reasonable efforts to promptly repair or replace such item (as appropriate under the circumstances), including by submitting one or

more claims under any applicable insurance policy maintained by Seller with respect to such lost, damaged or destroyed Property and applying the full amount of proceeds received by Seller to the repair or replacement of such lost, damaged or destroyed Property; *provided, however*, that, Seller shall not be obligated to repair or replace any lost, damaged or destroyed item of Property if such item of Property was obsolete or unnecessary for the continued Station Business consistent with Seller's past practice and the Authorizations; and

(iii) if such repair or replacement is not completed prior to the Closing, then, subject to Section 8.1(d), the parties shall proceed with the Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Buyer shall receive a credit to the Purchase Price for the amount, as agreed in good faith by Seller and Buyer, necessary to restore such Property to its condition prior to such loss, damage or destruction; *provided, however*, that (x) if the parties are unable to agree on the amount necessary to restore such Property to its condition prior to such loss, damage or destruction, they will select a mutually acceptable independent third party to resolve the disagreement and make a determination as promptly as practicable of the amount necessary to restore such Property to its condition prior to such loss, damage or destruction, which determination shall be final and binding on the parties, with the costs of such third party being split equally between Buyer and Seller, and (y) if the parties are unable to resolve such disagreement prior to Closing, any amounts payable or to be paid by Seller in connection with the repair or replacement of such Property shall be promptly paid after the resolution of such disagreement and such payments shall not be subject to the threshold (or count towards the Damages limitations) in Section 9.2(b).

(c) Notwithstanding anything in this Agreement to the contrary, if any loss, damage or destruction prior to Closing results in or creates a Material Disruption, then Buyer may postpone Closing until the date that is five (5) Business Days after the end of such Material Disruption, subject to Section 8.1; provided, however, that in the event such Material Disruption continues for more than thirty (30) consecutive days, then Buyer may terminate this Agreement in accordance with Section 8.1(e) upon written notice to Seller.

5.4 Consents; Estoppels; Group Contracts.

(a) Prior to the Closing Date, Seller shall use commercially reasonable efforts to obtain all written consents necessary for Seller to consummate the transactions contemplated by this Agreement, including the written consents of the parties to the Assumed Contracts where required (the "Consents"). Notwithstanding any provision in this Agreement to the contrary, Seller shall not have any obligation to expend funds out-of-pocket or issue any guaranty in order to obtain the Consents. If requested by Seller, Buyer shall execute and deliver to the applicable third party and Seller an assumption agreement with respect to the Assumed Obligations under each Assumed Contract to commence as of the Effective Time, which assumption agreement may also contain a release of Seller by the applicable third party to such Assumed Contract (provided that Seller may not condition acceptance of such agreement on the receipt of such release). The parties acknowledge and agree that with respect to the Primary Television Affiliation Agreement (the "Affiliation Agreement") with American Broadcasting Companies, Inc. ("ABC"), Buyer may be obligated to execute an assignment and assumption with respect to all of Seller's or its Affiliate's liabilities and obligations under such Affiliation Agreement in

order for Seller to obtain the Consent of ABC, and Buyer shall execute and deliver such assignment and assumption agreement; provided, however, that, notwithstanding such assignment and assumption agreement, as between Buyer, on the one hand, and Seller and its Affiliates, on the other hand, Seller and its Affiliates shall remain responsible for, and shall indemnify Buyer and the other Buyer Indemnified Parties in accordance with Article IX hereof with respect to, any and all liabilities and obligations under such Affiliation Agreement that are not Assumed Obligations. The parties acknowledge and agree that with respect to the Agreement between Hearst Stations Inc. (KITV Division) and Local 1260 of the International Brotherhood of Electrical Workers (AFL-CIO), January 1, 2012 – August 31, 2014, as amended by Employer’s Proposal for Extension of CBA between KITV and IBEW Local 1260, dated August 6, 2014 (the “Collective Bargaining Agreement”), Seller is obligated to require Buyer to assume the obligations under the Collective Bargaining Agreement (and not just Assumed Obligations). To enable Seller to comply with its obligations under the Collective Bargaining Agreement, Buyer shall execute and deliver an assignment and assumption agreement in respect of the Collective Bargaining Agreement and all of Seller’s and its Affiliates obligations thereunder; provided, however, that, notwithstanding such assignment and assumption agreement, as between Buyer, on the one hand, and Seller and its Affiliates, on the other hand, Seller and its Affiliates shall remain responsible for, and shall indemnify Buyer and the other Buyer Indemnified Parties in accordance with Article IX hereof with respect to, any and all liabilities and obligations under such Collective Bargaining Agreement that are not Assumed Obligations.

(b) Seller shall use commercially reasonable efforts (but shall not be required to make any payments, grant any concessions, or modify any of the Real Property Leases) to obtain customary estoppel certificates in a form reasonably acceptable to Buyer, executed by each of the landlords of the Leased Real Property, and upon the receipt of any such estoppel certificate, Seller shall deliver such estoppel certificates to Buyer as promptly as practicable.

(c) The rights and obligations under the Group Contracts that are included in the Assets and Assumed Obligations, as the case may be, shall include only those rights and obligations under such Group Contracts that are applicable to the Stations and the Station Business. The rights of each Other Seller Station with respect to such Contract and the obligations of each Other Seller Station to each such Contract shall be Excluded Assets and Excluded Liabilities, as applicable. For purposes of determining the scope of the respective rights and obligations among the parties with respect to the Group Contracts, the rights and obligations under each Group Contract shall be equitably allocated among (1) the Stations, on the one hand, and (2) the Other Seller Stations, on the other hand, in accordance with the following equitable allocation principles:

(i) any allocation set forth in the Group Contract shall control; and

(ii) if there is no allocation in the Group Contract as described in clause (a) hereof, then any reasonable allocation (to be determined by mutual good faith agreement of the Seller and Buyer) shall control, provided that such allocation is consistent with Seller’s past practices with respect to the Station Business.

Subject to any applicable third-party consents, such allocation and assignment with respect to any Group Contract shall be effectuated by termination of such Group Contract in its entirety solely with respect to the Stations and the execution of new Contracts with respect to the Stations or by an assignment to and assumption by Buyer of the rights and obligations under such Group Contract that are applicable to the Stations and the Station Business, in accordance with this Agreement. The parties shall use commercially reasonable efforts to obtain any such new Contracts in accordance with this Section 5.4; provided, that, completion of documentation under this Section 5.4(c) is not a condition to Buyer's obligation to close the transactions contemplated by this Agreement. To the extent such third party requires Buyer to assume all of Seller's or its Affiliate's obligations and liabilities (and not just the Assumed Obligations) with respect to the Stations (or any other stations) under such Group Contract, and Buyer enters into such assignment and assumption, then notwithstanding such assignment and assumption agreement, as between Buyer, on the one hand, and Seller and its Affiliates, on the other hand, Seller and its Affiliates shall remain responsible for, and shall indemnify Buyer and the other Buyer Indemnified Parties in accordance with Article IX hereof with respect to, any and all liabilities and obligations under such Group Contract that are not Assumed Obligations.

(d) Notwithstanding the foregoing, no Consents or estoppel certificates are conditions to Buyer's obligation to close the transactions contemplated by this Agreement except for the consents set forth on Schedule 6.1(c) attached hereto.

(e) Notwithstanding the foregoing, nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is non-assignable without Consent, unless such Consent shall be given. If a Consent to assignment of an Assumed Contract is not obtained prior to Closing, and the Closing occurs, Seller and Buyer shall use commercially reasonable efforts to obtain such Consent after Closing. Until such Consent is obtained, Seller and Buyer shall reasonably cooperate with each other (at Buyer's expense) in any arrangements necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder.

5.5 Notifications. Pending the Closing Date, Seller and Buyer shall promptly notify each other in writing of any material breach of this Agreement, any developments which singly or in concert with others are materially adverse to the ability of such notifying party to consummate the transactions contemplated hereby and of any notice or other communication from any Governmental Authority relating to the transactions contemplated by this Agreement.

5.6 Control of the Stations. The parties acknowledge and agree that nothing in this Agreement, including the covenants in this Article V, are intended to and shall not be construed to transfer control of the Stations prior to Closing or to give to Buyer any right to, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the Station Business prior to Closing in contravention of the rules, regulations and policies of the FCC; all such operations, including control and supervision of all of the Stations' programs, Seller's employees, finances and policies, shall be the responsibility of Seller until the Closing.

5.7 Inspection Rights.

(a) Until the Closing, upon reasonable written advance notice, Seller shall, at reasonable, mutually agreed-upon times during the Stations' regular business hours, make the studio and office facilities, senior station management, books, accounts, records, contracts, and documents pertaining to the Station Business and included in the Assets available for examination and inspection by Buyer and its agents, provided that neither the furnishing of such information nor any investigation made heretofore or hereafter shall affect Buyer's right to rely upon any representation or warranty made by Seller in this Agreement, each of which shall survive any furnishing of information or any investigation, subject to Section 9.1 hereof. Any such examination and inspection shall be undertaken in a manner designed to minimize the disruption to the Station Business to the extent reasonably practicable.

(b) Seller shall promptly, within twenty (20) days following the completion of each calendar month following the date of this Agreement until the Closing, provide Buyer with monthly unaudited financial statements reflecting the cash flow and operations and balance sheet of the Station Business for each such month during such period. Such reports shall be prepared on the same basis as the Financial Statements. Seller shall also provide to Buyer weekly pacing reports for each of the Stations promptly following the end of each week during the period from the date of this Agreement through the Closing.

5.8 Stations Operations. From and after the date hereof until the Closing, Seller shall operate the Stations and the Station Business in the ordinary course of business consistent with past practices and not take any action that would materially impair or delay the ability of Seller to consummate the transactions as contemplated by this Agreement. Without limiting the foregoing, from and after the date hereof, until the Closing, Seller shall (unless Seller shall have received the prior written consent of Buyer to do otherwise, which consent shall not be unreasonably withheld, delayed, denied or conditioned):

(a) except as otherwise provided herein, (i) maintain in full force and effect the FCC Licenses and all other material Authorizations required to carry on the Station Business, (ii) take any actions and make any filings necessary before the FCC to preserve the FCC Licenses' effectiveness, including promptly filing renewal applications, timely filing required FCC reports, and timely paying annual regulatory fees, (iii) deliver to Buyer, within ten (10) days after filing, copies of any specific, named reports, applications or responses to the FCC related to the Stations that are filed during such period, and (iv) notify Buyer of any proceeding or matter pending before the FCC that would reasonably be expected to have a Material Adverse Effect or materially adversely affect Seller's ability to perform its obligations in accordance with this Agreement or otherwise impede, prevent or materially delay the consummation of the transactions contemplated by this Agreement;

(b) maintain and replace the Tangible Personal Property and maintain the Real Property, in each case in the ordinary course of business consistent with past practices (ordinary wear and tear excepted);

(c) not dissolve, liquidate, merge or consolidate the Seller, nor sell, assign, lease, mortgage, pledge, license or otherwise transfer, or dispose of any of the Assets (except sales of inventory in the ordinary course of business), or relocate any Assets to another location not comprising part of the Real Property, or create, assume, or permit to exist any Lien upon any

of the Assets, except for (i) Liens in favor of Buyer or Permitted Liens; and (ii) immaterial items of personal property included in the Assets that are sold or otherwise disposed of in the ordinary and regular course of the Station Business;

(d) not (i) enter into any Contract that would be required to be listed on Schedule 3.10(a) were Seller a party or subject thereto on the date of this Agreement, or (ii) enter into any material amendment or modification to, or grant any material waiver under, or extension of, or early termination of, any Contract listed or required to be listed on Schedule 3.10(a), except in the case of clause (ii) above, in the ordinary course of business, consistent with past practices;

(e) maintain in full force and effect insurance policies in respect of the Station Business in the ordinary course of business, consistent with past practices;

(f) maintain and preserve the current Station Business and the Stations' goodwill and the Stations' present relationships with suppliers, advertisers, and others having business relations with the Stations in the ordinary course of business, consistent with past practices;

(g) not transfer or grant any rights to Intellectual Property, other than in the ordinary course of business consistent with past practices, and respond substantively to any outstanding matters before the U.S Patent and Trademark Office pertaining to the Stations, the Station Business and the Assets;

(h) use its commercially reasonable efforts to maintain all of the material Assets or replacements thereof (to the extent required pursuant to this Agreement) and improvements thereon in their current condition (ordinary wear and tear excepted) in the usual and customary manner, and in compliance in all material respects with the FCC's rules and regulations, and use, operate, and maintain all of the Assets in a reasonable manner, with inventories of spare parts and expendable supplies being maintained at levels reasonably consistent with past practices;

(i) maintain its books and records, including the record keeping and reporting requirements imposed by the FCC, in accordance with past practices and in material compliance with the FCC's rules and regulations, and not materially change any accounting practices, procedures or methods (except for any change required under GAAP or applicable law, in each case as disclosed in writing to Buyer), including with respect to payment of accounts payable and collection of Accounts Receivable;

(j) make all payments under the Assumed Contracts that are due to be paid by Seller, consistent with past practice, and take all action reasonably necessary to preserve in full force and effect the existing rights of Seller under the Assumed Contracts;

(k) [Intentionally Omitted];

(l) comply in all material respects with the Communications Act, and all other applicable Laws to which Seller and the Station Business are subject;

(m) not (i) pay or provide to any Station Employee any bonus or other non-cash benefit or make any advance or loan, in each case not provided for under any Contract, Employee Benefit Plan or employment or compensation agreement in effect on the date of this Agreement, other than the payment of base compensation or advances for business expenses in the ordinary course of business, (ii) grant any material increase in compensation (including any increase in severance or termination pay) to any Station Employee except to the extent required under any Contract, Employee Benefit Plan, collective bargaining agreement or employment or compensation agreement in effect on the date of this Agreement, (iii) enter into any new employment, consulting, indemnification, severance or termination agreement, except in the ordinary and regular course of the Station Business, consistent with past and present practices, (iv) establish, adopt, enter into or amend in any material respect any collective bargaining agreement or Employee Benefit Plan, or (v) take any action to accelerate the vesting or payment of any compensation or benefit of Station Employee under any Contract, Employee Benefit Plan or employment or compensation agreement or to fund or in any other way secure the payment of compensation or benefits under any Contract, Employee Benefit Plan or employment or compensation agreement or make any material determinations not in the ordinary course of business under any Employee Benefit Plan or employment or compensation agreement;

(n) not apply to the FCC for any FCC license, construction permit, authorization or any modification thereto that would restrict the Station Business in any material respect and not take any action, or omit to take any action, or enter into any Contract which would, or would reasonably be expected to, prevent or interfere with the successful prosecution of the FCC Applications or the consummation of the transactions contemplated by this Agreement, or which is or would be inconsistent with any FCC Application or the consummation of the transactions contemplated by this Agreement;

(o) not (i) enter into any Contract that would have been a Real Property Lease were Seller a party or subject thereto on the date of this Agreement or (ii) enter into any material amendment or modification to, or grant any material waiver under, any Real Property Lease with respect to the Real Property;

(p) use commercially reasonable efforts to maintain the Stations' carriage by MVPDs in effect as of the date hereof and timely make any must carry/retransmission consent election that must be made prior to the Closing Date, provided that Seller will consult with Buyer with respect to any must carry election that Seller intends to make with respect to MVPDs with 5,000 or more subscribers;

(q) not (i) incur any indebtedness for borrowed money, (ii) guarantee the indebtedness of any other Person, (iii) permit to exist any Liens on the Assets (other than Permitted Liens or as required by Law or existing Contracts) or (iv) intentionally incur any material liabilities that would be Assumed Obligations;

(r) not settle or institute any litigation, claims or Actions material to the Station Business or the Stations; or

(s) not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses of this Section 5.8.

5.9 Preservation of Books and Records. During the first ninety (90) calendar days after the Closing, Buyer shall provide to Seller at no additional cost the reasonable services of the Stations' business offices, together with reasonable access to related systems and records, for the purposes of closing the books of the Stations for the period prior to the Closing, all substantially in accordance with the procedures and practices applied by Seller's business offices for periods prior to the Closing; *provided* that such access does not unreasonably disrupt the Station Business or the other business and operations of the Buyer and is undertaken in a manner designed to minimize the disruption to the Station Business to the extent reasonably practicable. From and after the Closing Date, Buyer shall use commercially reasonable efforts to preserve, in accordance with and for the periods required by Buyer's normal document retention procedures and practices, all books and records transferred by Seller to Buyer pursuant to this Agreement and shall provide Seller a reasonable opportunity to access and obtain copies, at Seller's expense, of any such books and records (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against Seller by a third party, and (b) for the preparation of Tax Returns and audits, *provided*, in each case, that such access does not unreasonably disrupt the Station Business or the other business and operations of the Buyer and is undertaken in a manner designed to minimize the disruption to the Station Business to the extent reasonably practicable; *provided, further*, that Buyer shall not be required to maintain documents relating to Taxes beyond the statute of limitations for such applicable Tax.

5.10 Schedules. Any information disclosed by Seller in any one or more of the Schedules hereto shall be deemed to be disclosed to Buyer for all purposes of this Agreement and the Schedules to the extent the disclosure or description of the facts regarding the event, item or matter so disclosed in such Schedule is adequate so as to make it reasonably clear that such disclosure is responsive to the Schedule(s) related to such other Sections of the Agreement. Neither the specification of any Dollar amount in any representation or warranty contained in this Agreement nor the inclusion of any specific item in any Schedule hereto is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no party shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in any Schedule is or is not material for purposes of this Agreement. Unless this Agreement specifically provides otherwise, neither the specification of any item or matter in any representation or warranty contained in this Agreement nor the inclusion of any specific item in any Schedule hereto is intended to imply that such item or matter, or other items or matters, are or are not in the ordinary course of business, and no party shall use the fact of the setting forth or the inclusion of any such item or matter in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in any Schedule is or is not in the ordinary course of business for purposes of this Agreement.

5.11 Employees.

(a) Seller shall provide an updated Schedule 3.15 to Buyer no later than thirty (30) days prior to Closing (provided that Buyer provides Seller with reasonable advance written notice of the Closing Date). As of or before Closing, Buyer shall offer employment as of the Closing Date to all Station Employees, other than the employee(s) set forth on Schedule 5.11, and each such Station Employee who accepts Buyer's offer of employment within five Business

Days following the Closing Date will be a “Transferred Employee”. Buyer shall employ at-will those Transferred Employees who do not have employment agreements with Seller, initially at a salary and at a position and on terms and conditions as determined by Buyer, but with monetary compensation (consisting of base salary, and, as applicable commission and normal bonus opportunity) substantially the same as those provided by Seller immediately prior to Closing. The initial terms and conditions of employment for those Transferred Employees who have employment agreements with the Seller shall be as set forth in such employment agreements, which shall, to the extent permitted under the applicable agreements, be assigned to Buyer and assumed by Buyer. The Buyer shall, for at least one year after the Closing Date, provide each Transferred Employee who remains employed with the Buyer or its Affiliates with employee benefits (other than retirement or pension benefits and excluding any equity or phantom equity arrangements) that are substantially similar to the employee benefits (other than retirement or pension benefits and excluding any equity or phantom equity arrangements) provided to the Transferred Employees by Seller and its Affiliates as of the Closing Date (and for which summary plan descriptions have been provided in accordance with Section 3.14). The Buyer shall, for at least one year after the Closing Date, provide at least two weeks for each year of service (including service with Seller), of severance payments to Transferred Employees who are terminated by Buyer and who execute a release of claims in a form reasonably satisfactory to Buyer, other than Transferred Employees who are terminated by Buyer for cause or who voluntarily terminate their employment with Buyer. For the avoidance of doubt, Buyer does not assume and shall have no responsibility for severance or other payments due to any Station Employee (or other employee of Seller) who is not a Transferred Employee, including without limitation those who reject or do not accept Buyer’s offer of employment within five Business Days after the Closing Date.

(b) With respect to all Station Employees, Seller shall be responsible for all liabilities, compensation, and any benefits arising prior to the Effective Time (in accordance with Seller’s employment terms), and, with respect to all Transferred Employees, Buyer shall be responsible for all liabilities, compensation, and any benefits arising after the Effective Time. Buyer shall grant credit to Transferred Employees for all unused annual vacation and sick leave that has been accrued as of the Effective Time and Buyer shall assume and discharge Seller’s obligation to provide such leave to such Transferred Employees to the extent such obligations are included as a Current Liability on the Closing Balance Sheet and included in the calculation of Closing Working Capital (such obligations being a part of the Assumed Obligations).

(c) Buyer shall cause each Buyer benefit plan, as may apply, to recognize service of the Transferred Employees with the Stations for purposes of eligibility, and vesting (but not benefit accrual) under any Buyer benefit plan.

(d) With respect to Seller’s 401(k) plan, each Transferred Employee shall be deemed to have experienced a termination event as of the Effective Time and shall be permitted to elect a distribution of his/her account balance from the Seller’s 401(k) plan, to the extent permitted under Law. Transferred Employees may elect, among other things, to make direct rollovers of their account balances into Buyer’s 401(k) plan as of the Effective Time (or as soon as practicable thereafter when Buyer’s 401(k) plan is capable of accepting such rollovers), including the direct rollover of any outstanding loan balances such that they will continue to make payments under the terms of such loans under Buyer’s 401(k) plan, subject to compliance

with applicable law and subject to the requirements of Buyer's 401(k) plan. Buyer's 401(k) plan shall credit Transferred Employees with service credit for eligibility and vesting (but not benefit accrual) purposes for service recognized for the equivalent purposes under Seller's 401(k) plan.

(e) Notwithstanding anything to the contrary in this Section 5.11, the parties expressly acknowledge and agree that (i) this Agreement is not intended to create a contract between Buyer, Seller and or any of their respective Affiliates on the one hand and any employee of Seller or union on the other hand, and no employee of Seller or any other Person may rely on this Agreement as the basis for any breach of contract claim against Buyer or Seller, (ii) nothing in this Agreement shall be deemed or construed to require Buyer to continue to employ any particular employee of Seller for any period after Closing, (iii) nothing in this Agreement shall be deemed or construed to limit Buyer's right to terminate the employment of any Transferred Employee during any period after the Closing Date, subject to the terms of any employment agreement or collective bargaining agreement and (iv) nothing in this Agreement shall establish, modify or amend any Employee Benefit Plan or buyer benefit plan.

5.12 Title Insurance and Surveys.

(a) Title Insurance. Buyer may elect to procure title insurance policies for the Real Property and obtain a preliminary title report which contains a commitment (the "Title Commitment") of a title company to issue one or more (as appropriate) owner's or lessee's title insurance policy on ALTA Owner's or Lessee's Policy (and corresponding mortgagee's policies) (each, a "Title Policy" and collectively, the "Title Policies") insuring the interest of Buyer in such parcels of Real Property. Seller shall reasonably cooperate with Buyer to obtain copies of all documents, filings and information disclosed in the Title Commitment and Title Policy. Seller shall use commercially reasonable efforts to cooperate with Buyer to obtain a Title Policy for the Real Property and shall provide or assist in the procurement of any and all affidavits or instruments customarily and reasonably required to obtain a Title Policy on each of the properties that comprise the Real Property. The expenses incurred to obtain the Title Commitments and the Title Policies shall be paid by Buyer.

(b) Survey.

(i) Buyer may obtain an ALTA survey of the Real Property (the "Survey") as of a date subsequent to the date hereof which shall (x) be prepared by a registered land surveyor, (y) be certified to the title company, Buyer's lender and Buyer and (z) show with respect to the Real Property (A) the legal description of such parcel of Real Property, (B) all buildings, structures and improvements thereon and all restrictions of record and other restrictions that have been established by an applicable zoning or building code or ordinance and all easements or rights of way, (C) no encroachments upon such parcel or adjoining parcels by buildings, structures or improvements (unless valid easements or leases have been obtained with respect thereto or unless such encroachments constitute a Permitted Lien) and (D) access to such parcel from a dedicated roadway. Any restrictions, encroachments (onto the Real Property or from the Real Property onto adjoining property) or other claims that are not Permitted Liens which materially affect the intended use of the Real Property as disclosed on the Survey shall be a "Survey Defect" and if Buyer shall have an objection to such Survey with respect to a Survey Defect and if the failure to cure such defect would cause the Real Property to be unsuitable or

unavailable for its current use, Buyer shall notify Seller of such objection within twenty (20) days of Buyer's receipt of the Survey and the Title Commitment and Seller shall, prior to the Closing Date, use commercially reasonable efforts to cure such objection or Survey Defect.

(ii) Prior to obtaining the Surveys on the leased Real Property, Buyer shall obtain the consent of the fee owner of such leased Real Property. Seller agrees to use commercially reasonable efforts to cooperate with Buyer in obtaining such consent and conducting such surveys, including providing access to Buyer and its representatives as otherwise provided in this Agreement.

(iii) The expenses incurred to obtain the Surveys shall be paid by Buyer. All inspections and assessments conducted in connection with the procurement of the Surveys shall be performed in a manner that will not unduly or unreasonably interfere with the Station Business or the use of, access to or egress from the Real Property, and Buyer shall repair any damage and indemnify and hold harmless Seller from any Damages arising from the entry by Buyer or its employees, agents or contractors upon the Real Property.

5.13 Environmental. Buyer may at its expense conduct environmental reviews of the Owned Real Property and, subject to any prior approval of the owner or lessor required under the Real Property Leases, the Leased Real Property, including environmental sampling, within forty-five (45) days of the date of this Agreement; provided, however, that no intrusive sampling shall be performed without Seller's prior written approval (which shall not be unreasonably withheld). If any such environmental review discloses a material violation of, or material condition requiring remediation under applicable Environmental Laws at any of the Real Property (an "Environmental Condition") and such Environmental Conditions, in the aggregate, have an estimated remediation cost less than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then Seller shall remediate such conditions in all material respects, as promptly as is commercially reasonable and in accordance with applicable Environmental Laws, and if required to be reported, in a manner satisfactory to the applicable Governmental Authority, provided that the completion of such remediation shall not be a condition to Buyer's obligation to close hereunder. If such Environmental Conditions, in the aggregate, have an estimated remediation cost of Seven Hundred Fifty Thousand Dollars (\$750,000.00) or more, then within ten (10) Business Days after delivery to Seller of such environmental assessment, Seller shall notify Buyer of its election to either (a) remediate such conditions in all material respects prior to Closing or (b) not remediate such conditions, in which event Buyer may terminate this Agreement on written notice to Seller. For the avoidance of any doubt, the pre-Closing discovery of such an Environmental Condition shall be deemed an exception to Seller's representations and warranties in Section 3.20, and Buyer shall have no claim against Seller pursuant to the indemnification provisions or otherwise for such an Environmental Condition except with respect to a breach of this Section 5.13. Notwithstanding the foregoing, Seller shall have no obligation to correct or remediate any Environmental Condition if such correction or remediation of the Environmental Condition is a landlord's, lessor's or other third party's primary responsibility.

5.14 WARN Act. Buyer and Seller agree to cooperate in good faith to determine whether any notification may be required under the WARN Act, the Hawaii Dislocated Workers Act (Chapter 394B of the Hawaii Revised Statutes), or other similar Laws, as a result of the

transactions contemplated under the Agreement and, to the extent communicated to Seller, Buyer's proposed operation of the Business following the Closing, and, if a party reasonably determines that any such notices are required, to provide such notices in a timely manner that is reasonably satisfactory to each of the parties hereto.

5.15 Confidentiality.

(a) Except as necessary for the consummation of the transactions contemplated by this Agreement, and except as and to the extent required by applicable Law, each party will keep confidential, and shall cause its representatives, advisors, attorneys and financing sources to keep confidential, the terms of this Agreement and any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to any other party that furnished it with information in connection with the transactions contemplated by this Agreement all such information.

(b) No party shall publish any press release or make any other public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of each other party; provided, however, that nothing contained in this Agreement shall prevent any party, after notification to and consultation with the other party, from making any filings with Governmental Authorities that, in its judgment, may be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

5.16 No-Shop. From the date hereof until the earlier of the Closing or such time as this Agreement shall be terminated pursuant to Section 8.1, Seller and its owners, directors, officers, managers, investment bankers and agents shall cease any discussions or negotiations with, and shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any Person (other than Buyer and its Affiliates and representatives) relating to any business combination transaction involving, directly or indirectly, the Assets, the Station Business or the equity interests of Seller (but, with respect to a sale of equity, only to the extent it would have an adverse effect on the ability of Seller to consummate the transactions contemplated by this Agreement).

5.17 Financing Cooperation. Seller shall, and shall cause its officers and employees, accountants, and legal counsel to provide Buyer and its potential financing sources (the "Financing Sources") cooperation reasonably requested by Buyer and such Financing Sources in connection with the debt and equity financing of Buyer and its Affiliates for the transactions contemplated hereby (the "Financing").

ARTICLE VI
CONDITIONS PRECEDENT TO THE OBLIGATION OF BUYER TO CLOSE

The obligation of Buyer hereunder to close the transactions herein contemplated is subject to the satisfaction or waiver by Buyer in its sole discretion of the following conditions at or prior to the Closing.

6.1 Conditions.

(a) All warranties and representations made by Seller herein to Buyer shall be true and correct in all respects on and as of the Closing Date and with the same effect as if such warranties and representations had been made by Seller to Buyer on and as of the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time), except where the failure of such representations and warranties to be true and correct (without giving effect to any qualifiers or exceptions relating to “materiality” or “Material Adverse Effect” set forth in such representations and warranties), would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect;

(b) Seller shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Seller’s part on or prior to the Closing Date;

(c) each of the Consents set forth in Schedule 6.1(c) shall have been delivered to Buyer, as well as evidence of delivery of the required notice set forth in Schedule 6.1(c); and

(d) the FCC Consent shall have been granted, shall be in full force and effect and, unless mutually waived by Seller and Buyer pursuant to Section 2.1, shall have become a Final Order. For the purpose of this Agreement, an action or order of the FCC granting the FCC Consent shall be deemed to have become a “Final Order” when such action or order shall have been issued by the FCC in writing, setting forth the FCC Consent, and (i) so long as such action or order shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, and (ii) so long as no protest, request for stay, reconsideration or review by the FCC on its own motion or by any third party, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall be pending, when the period provided by law for initiating such protest, request for stay, reconsideration or review by the FCC on its own motion, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall have expired.

6.2 No Order. No order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority shall prohibit the consummation of the transactions contemplated by this Agreement.

6.3 Closing Deliveries. Seller shall have delivered (or caused to be delivered) to Buyer the documents or items required to be delivered pursuant to Section 2.2(a) hereof.

6.4 No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect.

ARTICLE VII CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

The obligation of Seller hereunder to close the transactions herein contemplated is subject to the satisfaction or waiver by Seller in its sole discretion of the following conditions at or prior to the Closing:

7.1 Conditions.

(a) All warranties and representations made by Buyer herein to Seller shall be true and correct in all respects on and as of the Closing Date and with the same effect as if such warranties and representations had been made by Buyer to Seller on and as of the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time), except where the failure of such representations and warranties to be true and correct (without giving effect to any qualifiers or exceptions relating to “materiality” set forth in such representations and warranties), would not, individually or in the aggregate, be reasonably likely to have a material adverse effect on the ability of the Buyer to perform its obligations under this Agreement;

(b) Buyer shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Buyer’s part on or prior to the Closing Date;

(c) Buyer shall have made, or shall stand willing and able to make, payment of the Purchase Price to Seller required to be made pursuant to Section 1.5 of this Agreement and other deliveries pursuant to Section 2.2(b); and

(d) the FCC Consent shall have been granted, shall be in full force and effect, and, unless mutually waived by Seller and Buyer pursuant to Section 2.1, shall have become a Final Order.

7.2 No Order. No order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority shall prohibit the consummation of the transactions contemplated by this Agreement.

7.3 Closing Deliveries. Buyer shall have delivered (or caused to be delivered) to Seller the documents or items required to be delivered pursuant to Section 2.2(b) hereof.

ARTICLE VIII RIGHTS OF BUYER AND SELLER UPON TERMINATION OR BREACH

8.1 Termination. Subject to Section 8.3, this Agreement may be terminated prior to Closing as follows:

(a) by mutual written agreement of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller breaches any of its representations or warranties or defaults in the performance of any of its covenants or agreements contained in this Agreement, and such breach or default would give rise to the failure of a condition set forth in Section 6.1, and is not cured within the Cure Period; provided, however, that the right to terminate this Agreement under this Section 8.1(b) shall not be available if the failure of Buyer to fulfil any obligation under this Agreement shall have been the cause of the failure of such condition to be satisfied on or prior to such date;

(c) by written notice of Seller to Buyer if Buyer breaches any of its representations or warranties or defaults in the performance of any of its covenants or agreements contained in this Agreement, and such breach or default would give rise to the failure of a condition set forth in Section 7.1, and is not cured within the Cure Period; provided, however, that the right to terminate this Agreement under this Section 8.1(c) shall not be available if the failure of Seller to fulfil any obligation under this Agreement shall have been the cause of the failure of such condition to be satisfied on or prior to such date; provided, further, that the Cure Period shall not apply to Buyer's obligations to pay the Purchase Price at Closing in the circumstances where all of the conditions to Buyer's obligations to consummate the Closing (other than those under Article VI to be performed at Closing) have been satisfied or waived;

(d) by written notice of Seller to Buyer, or Buyer to Seller, if Closing does not occur on or before the nine (9) month anniversary of the date hereof (such date, the "Outside Date"); provided, however, that the right to terminate this Agreement under this Section 8.1(d) shall not be available if the failure of the party so requesting termination to fulfil any obligation under this Agreement shall have been the cause of the failure of the Closing to occur on or prior to such date; provided further, however, if the Closing has not occurred by the Outside Date and all other conditions precedent to Buyer's obligations to close as set forth in Article VI of this Agreement have been satisfied or waived by Buyer other than the grant of the FCC Consent, the Outside Date shall automatically be extended for an additional three (3) months; or

(e) by Buyer as provided in Section 5.3 and Section 5.13.

8.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement, and such notice shall include a description of the breach. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) calendar days thereafter or (ii) five (5) Business Days after the day otherwise scheduled for Closing; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the date five (5) Business Days after the scheduled Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the date five (5) Business Days after the scheduled Closing Date.

8.3 Termination and Survival. Subject to Section 8.4 and Section 8.5, the termination of this Agreement shall not relieve any party of any liability for willful breach or default under this Agreement that occurred prior to the date of termination. Notwithstanding anything contained herein to the contrary, Section 5.15, this Section 8.3, Section 8.5, Section 8.6 and Article X shall survive any termination of this Agreement.

8.4 Specific Performance. The parties hereto acknowledge and agree that the parties hereto would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached and that any non-performance or breach of this Agreement by any party hereto could not be adequately compensated by monetary damages alone and that the parties hereto would not have any

adequate remedy at law. Accordingly, in addition to any other right or remedy to which any party hereto may be entitled, at law or in equity (including monetary damages), such party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief, subject to obtaining the FCC Consent, to prevent breaches or threatened breaches of any of the provisions of this Agreement without posting any bond or other undertaking. Without limiting the generality of the foregoing, the parties hereto agree that the party seeking specific performance shall be entitled to enforce specifically (a) a party's obligations under Section 5.1; and (b) a party's obligation to consummate the transactions contemplated by this Agreement (including the obligation to consummate the Closing and to pay the Purchase Price, if applicable), if the conditions set forth in Article VI or VII, as applicable, have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived.

8.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 8.1(c), the Escrow Deposit plus any accrued interest thereon shall be paid to Seller by wire transfer of immediately available funds, and such payment shall constitute liquidated damages and Seller's sole and exclusive remedy if Seller terminates this Agreement as a result of such breach. Buyer and Seller shall deliver joint written instructions to the Escrow Agent with respect to such distribution. In the event of such a termination, Seller shall, in addition, be entitled to prompt payment on demand from Buyer of the reasonable attorneys' fees and costs incurred by them in enforcing their rights under this Agreement with respect to such termination. Buyer acknowledges and agrees that the foregoing payments shall constitute payment of liquidated damages and not a penalty and that such liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. Nothing herein shall prohibit Seller from exercising its remedies set forth in Section 8.4.

8.6 Return of Escrow Deposit. In all cases where this Agreement is terminated, other than a termination of this Agreement pursuant to Section 8.1(c) hereof, the Escrow Deposit (and all amounts therein or earned thereon) shall be released and paid to Buyer pursuant to the terms of this Agreement and the Escrow Agreement. Buyer and Seller shall deliver joint written instructions to the Escrow Agent with respect to such distribution.

8.7 Further Limitation. Notwithstanding anything to the contrary contained in this Agreement, other than with respect to the Intercreditor Agreement none of the Financing Sources shall have any liability to Seller or any of its Affiliates or any other Person (other than Buyer) relating to or arising out of this Agreement or the Financing, whether at law or equity, in contract or in tort or otherwise, and other than with respect to the Intercreditor Agreement, neither Seller nor any of its Affiliates nor any other Person (other than Buyer) shall have any rights or claims against any of the Financing Sources under this Agreement or the Financing, whether at law or in equity, in contract, tort or otherwise; provided that this Section 8.7 shall not limit the liability of any of the guarantors, or the rights of Seller, under that certain Limited Guaranty dated as of the date hereof for the benefit of Seller; and provided, further, that this Section 8.7 shall not limit the rights of Seller under the Spectrum Auction Contingency Agreement.

ARTICLE IX INDEMNIFICATION

9.1 Survival. All representations and warranties contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing for a period of twelve (12) months; *provided, however,* that (a) Section 3.1 (Good Standing), Section 3.2 (Right, Power and Authority) and Section 3.7(a) (Title to Assets) shall survive indefinitely and (b) Section 3.16 (Taxes) shall survive until the date that is 60 days following expiration of the applicable statute of limitations relating to the underlying matter, including any extensions thereof (the representations and warranties referred to in clauses (a) and (b), the “Seller Fundamental Representations”); and Section 4.1 (Good Standing), Section 4.2 (Right, Power and Authority) and Section 4.3 (Buyer Qualifications) shall survive indefinitely (the “Buyer Fundamental Representations”); and *provided, further,* that Section 3.20 (Environmental Laws and Regulations) shall survive (and not be affected in any respect by) the Closing for a period of twenty-four (24) months. All covenants, obligations and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, which are to be performed on or prior to Closing shall expire at the Closing, and all such covenants, obligations and agreements which are to be performed after the Closing shall survive the Closing, until performed or until the applicable statute of limitations therefor has expired with respect to any breach thereof or until such earlier date, if any, as may be specified in such covenants, obligations and agreements. Any right of indemnification or reimbursement pursuant to this Article IX with respect to a claimed breach, inaccuracy or non-fulfillment of any representation, warranty, covenant, agreement or obligation shall expire on the applicable date of termination of the representation, warranty, covenant, agreement or obligation claimed to be breached as set forth above in this Section 9.1 (the “Expiration Date”), unless on or prior to the applicable Expiration Date, the Indemnifying Party has received written notice from the Indemnified Party of such breach, inaccuracy or non-fulfillment, in which case the Indemnified Party may continue to pursue its right of indemnification or reimbursement hereunder beyond the Expiration Date of the applicable representation, warranty, covenant, agreement or obligation.

9.2 Indemnification.

(a) From and after the Closing, Seller shall indemnify, defend, and hold harmless Buyer and its Affiliates, any officer, director, owner, member or representative thereof, and their permitted successors and assigns (each a “Buyer Indemnified Party”) with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (including interest, penalties and reasonable attorneys’ fees and expenses) of every kind and description (“Damages”) relating to, resulting from or arising out of:

(i) any breach by Seller of its representations or warranties set forth in this Agreement or any material inaccuracy in the FIRPTA Certificate;

(ii) any non-fulfillment or breach by Seller of any covenants, obligations or agreements made by Seller in this Agreement;

(iii) any Excluded Liability (including Damages which Buyer incurs as a result of accepting liability for any enforcement action by the FCC relating to any period prior to the Closing), other than the Excluded Environmental Liabilities;

(iv) any Excluded Assets; or

(v) any claim by any Person acting on behalf of Seller that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement and except as provided in the last sentence of this Section 9.2(b), Seller shall not be required to indemnify, defend or hold harmless any Buyer Indemnified Party pursuant to Section 9.2(a)(i) or, solely with respect to clause 9.2(b)(A), Section 9.2(a)(ii): (A) unless such Buyer Indemnified Party has asserted a claim with respect to such matters within the applicable survival period set forth in Section 9.1 above and (B) unless and until the aggregate amount of Damages in respect of claims made by all Buyer Indemnified Parties' pursuant to Section 9.2(a)(i) exceeds one and one-half percent (1.5%) of the Purchase Price (the "Basket Amount"), and then only to the extent the aggregate amount of all such Damages are in excess of the Basket Amount; *provided, however*, that the cumulative indemnification obligation of Seller in respect of claims by Buyer Indemnified Parties pursuant to Section 9.2(a)(i) shall in no event exceed ten percent (10%) of the Purchase Price. The foregoing limitations (other than the period for asserting a claim) shall not apply with respect to any breach of a Seller Fundamental Representation; *provided however*, that in no event shall the cumulative indemnification obligation of Seller under Section 9.2(a) exceed the Purchase Price, except in the case of fraud. Notwithstanding anything to the contrary contained in this Agreement including but not limited to Seller's obligations under Section 1.3(c), Seller shall not be required to indemnify, defend or hold harmless any Buyer Indemnified Party with respect to, concerning or relating to any Excluded Environmental Liabilities (whether pursuant to Section 9.2(a)(ii) or (iii) or otherwise), other than for Damages arising out of a breach of Seller's representations and warranties in Section 3.20 or a breach by Seller of its obligations under Section 5.13, in each case that are indemnifiable in accordance with, and subject to, Article IX, including but not limited to Section 9.1 and this Section 9.2(b).

(c) From and after the Closing, Buyer shall indemnify, defend, and hold harmless Seller and its Affiliates, any officer or director thereof, and their permitted successors and assigns (each a "Seller Indemnified Party"), with respect to any Damages relating to, resulting from or arising out of:

(i) any breach by Buyer of its representations or warranties set forth in this Agreement;

(ii) any non-fulfillment or breach by Buyer of any covenants, obligations or agreements made by Buyer in this Agreement;

(iii) any Assumed Obligation;

(iv) the operation of the Station Business, the Stations or the Assets after the Effective Time; except to the extent that the foregoing results from or arises out of a breach by Seller of this Agreement or any Excluded Asset or Excluded Liability; or

(v) any claim by any Person or entity that any agent, broker, investment or commercial banker, Person or firm acting on behalf of Buyer that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement and except as provided in the last sentence of this Section 9.2(d), Buyer shall not be required to indemnify, defend or hold harmless any Seller Indemnified Party pursuant to Section 9.2(c)(i) or, solely with respect to clause 9.2(d)(A), Section 9.2(c)(ii): (A) unless such Seller Indemnified Party has asserted a claim with respect to such matters within the applicable survival period set forth in Section 9.1 above and (B) unless and until the aggregate amount of Damages in respect of claims made by all Seller Indemnified Parties' pursuant to Section 9.2(c)(i) exceeds the Basket Amount, and then only to the extent the aggregate amount of all such Damages are in excess of the Basket Amount; *provided, however*, that the cumulative indemnification obligation of Buyer in respect of claims by Buyer Indemnified Parties pursuant to Section 9.2(c)(i) shall in no event exceed ten percent (10%) of the Purchase Price. The foregoing limitations (other than the period for asserting a claim) shall not apply with respect to any breach of a Buyer Fundamental Representation; *provided however*, that in no event shall the cumulative indemnification obligation of Buyer under Section 9.2(c) exceed the Purchase Price, except in the case of fraud.

9.3 Indemnification Procedure. For purposes of administering the indemnification provisions set forth in this Article IX, the following procedure shall apply:

(a) Whenever a demand, suit, claim or assertion of liability shall arise under this Article IX (a "Claim"), the party seeking indemnification (the "Indemnified Party") shall promptly and in no event later than ten (10) days after becoming aware of such a Claim, give written notice to the party from whom indemnification is sought (the "Indemnifying Party") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such Claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, *provided* that the Indemnified Party's failure to promptly notify the Indemnifying Party shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such Claim.

(b) In the event of any Claim hereunder resulting from or in connection with any Claim brought by a third party, the Indemnifying Party shall be entitled, at its sole expense, either:

(i) to participate therein, or

(ii) to assume the entire defense thereof with counsel who is selected by it and who is reasonably satisfactory to the Indemnified Party, provided that:

(A) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such Claim, and

(B) no settlement shall be made without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages to be paid solely by the Indemnifying Party and the settlement involves the full and unconditional release from all liability of the Indemnified Party).

After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such Claim, the Indemnifying Party shall not be liable to the Indemnified Party under this Article IX for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation or of assistance as contemplated by this Section 9.3. If, however, (1) the Claim would, if successful, result in the imposition of damages for which the Indemnifying Party would not be solely responsible hereunder, or (2) representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential conflicts of interest between them, then the Indemnifying Party shall not be entitled to assume the entire defense and each party shall be entitled to retain counsel (to the extent of clause (1) of this sentence, at their own expense, but otherwise, at the Indemnifying Party's expense) who shall cooperate with one another in defending against such Claim; *provided* that for any Claim relating to Taxes (other than income Taxes) relating to the Assets and the Station Business for a Straddle Period ("Straddle Period Claim"), (x) Buyer and its Affiliates shall assume the entire defense of the Straddle Period Claim with counsel selected by them, (y) Seller and its Affiliates shall be entitled to participate therein and retain separate counsel at their own expense and (z) Buyer and its Affiliates shall not settle any Straddle Period Claim to the extent such Claim results in liability for Seller under this Agreement without the prior written consent of Seller, which shall not be unreasonably withheld, conditioned or delayed.

(c) Capital, Buyer shall pay to Seller an amount equal to such excess. by a third party, the Indemnified Party may defend against such Claim in such manner as it deems appropriate; provided that, no settlement shall be made without the prior written consent of the Indemnifying Party which shall not be unreasonably withheld. The Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party, including reasonable attorneys' fees, in accordance with this Article IX.

(d) Subject to Section 9.3(b)(ii)(A) above, the Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any Claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to the Indemnified Party of a full release from all liability with respect to such Claim.

(e) In any event, the Indemnifying Party and the Indemnified Party shall cooperate in the defense of any Claim subject to this Section 9.3, and the records of each shall be available to the other with respect to such defense (except to the extent counsel of a party advises

non-disclosure is reasonably necessary to preserve the attorney-client privilege or similar doctrine, including the work-product doctrine). The Indemnified Party and the Indemnifying Party shall each render to each other such assistance as may reasonably be requested in order to ensure the proper and adequate defense of any such Claim.

(f) For purposes of determining the Damages for any claim with respect to a breach of a party of its representations or warranties made in this Agreement (but not whether a breach has occurred), all references to “Material Adverse Effect”, “materiality”, “material” or other similar words or phrases shall be disregarded.

(g) The right to indemnification under this Article IX based upon any breach of representation or warranty shall not be affected by any investigation conducted by the applicable party with respect to, or any knowledge acquired at any time, whether before or after execution and delivery of this Agreement or the Closing Date, with respect to the accuracy of such representation or warranty.

9.4 Limitation on Indemnification Obligations. No Indemnified Party shall be entitled to recover from an Indemnifying Party any special, consequential (only to the extent not reasonably foreseeable), incidental, indirect or punitive damages, including for lost profits, business interruption or other similar items, except to the extent that a third party has claimed such damages against such Indemnified Party.

9.5 Indemnification is Exclusive Remedy. Following the Closing, Buyer and Seller agree that a claim for indemnification pursuant to this Article IX shall be the sole and exclusive remedy which Buyer and Seller shall have against each other under or with respect to this Agreement or the transactions contemplated by this Agreement, whether for breach or misrepresentation of any representation, warranty, covenant, obligation, agreement or condition or otherwise; *provided, however*, that the foregoing limitations shall not apply to fraud; *provided, however*, that a party shall have the right to seek equitable relief as may be required to enforce the covenants set forth in Section 5.15.

9.6 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

ARTICLE X MISCELLANEOUS

10.1 xpenses; Taxes.

(a) Except as otherwise specifically provided herein, Buyer on the one hand, and Seller on the other, will each pay its own costs and expenses (including attorneys’ fees, fees of brokers and advisors, accountants’ fees, and other professional fees and expenses) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the consummation of the purchase and sale of the Assets and the other transactions contemplated by this Agreement. Seller shall bear any and all sales and use taxes arising out of the transactions contemplated by this Agreement, including any applicable “bulk sales” Tax and any transfer, conveyance, recordation and filing fees, Taxes or assessments,

including the Hawaii Conveyance Tax pursuant to Chapter 247 of the Hawaii Revised Statutes and other fees in connection with the conveyance of real property and the recordation of instruments related thereto, applicable to, imposed upon, or arising out of the sale, assignment, conveyance, and transfer to Buyer of the Assets as contemplated by this Agreement (collectively, the "Transfer Taxes"). Seller shall pay the fees, if any, for properly documenting and recording the release of any liens on the Assets and all income Taxes arising out of, or attributable to, any gain realized by Seller as a result of the sale of the Assets. All fees, charges and expenses of any title company retained by Buyer to provide one or more commitments or policies of title insurance for the benefit of Buyer or any of its Affiliates or otherwise arising in connection with the issuance of any commitment or policy of title insurance for the benefit of Buyer or any of its Affiliates shall be borne solely by Buyer. Buyer and Seller shall bear equally all of the FCC filing fees incurred in connection with the FCC Applications.

(b) In the case of any taxable period beginning on or prior to and ending after the Closing Date (the "Straddle Period"), (i) all Taxes (other than income Taxes) relating to the Assets and the Station Business for the Pre-Closing Tax Period shall be equal to the product of (A) the amount of such Taxes for the entire Straddle Period, multiplied by (B) a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days of the entire Straddle Period, and such Taxes shall be an Excluded Tax and (ii) all Taxes (other than income Taxes) relating to the Assets and the Station Business for the Post-Closing Tax Period shall be equal to the product of (A) the amount of such Taxes for the entire Straddle Period, multiplied by (B) a fraction, the numerator of which is the number of days during the Straddle Period that are in the Post-Closing Tax Period and the denominator of which is the number of days in the entire Straddle Period, and all such Taxes shall be an Assumed Obligation. All other Taxes, including all income Taxes, for a Straddle Period shall be allocated between the Pre-Closing Tax Period and the Post-Closing Tax Period as if such taxable period ends as of the close of business on the Closing Date.

(c) Buyer will prepare, or cause to be prepared, all Tax Returns relating to the Assets and the Station Business relating to Pre-Closing Tax Periods that are due on or after the Closing Date (including for any Straddle Periods) in a manner consistent with past practices (unless otherwise required by Law); *provided* that, Buyer shall not prepare, or cause to be prepared any income Tax Returns relating to the Assets and the Station Business, the Seller or any Affiliate of the Seller (unless otherwise required by Law). Buyer shall permit Seller to review and comment on each such Tax Return described in the preceding sentence prior to filing and shall make such revisions to such Tax Returns as are reasonably requested by Seller. Buyer shall file, or cause to be filed, all such Tax Returns (unless Seller is responsible under applicable Law for filing such Tax Returns, in which case Seller shall timely file such Tax Returns as prepared by Buyer). Seller shall pay to Buyer, or cause to be paid to Buyer, within ten (10) calendar day of Buyer's request of such payment, an amount in cash equal to any Taxes paid by Buyer allocable to the Pre-Closing Tax Period.

10.2 Rules of Interpretation. The following rules of interpretation shall apply to this Agreement:

(a) the defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation,” and any list or series following any such term(s) is (i) not exhaustive and (ii) not meant to be limited to elements or items of the same or similar kind;

(d) all references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require;

(e) all references to “herein,” “hereof,” “hereunder,” and words of similar import shall refer to this Agreement as a whole rather than specific sections hereof unless the context shall otherwise require;

(f) the word “or” is not exclusive;

(g) a reference to any law includes any amendment or modification of such law and all regulations, rulings, and other laws promulgated thereunder and any reference to the laws of any jurisdiction shall be deemed to include a reference to the analogous laws, if any, of another relevant jurisdiction;

(h) a reference to a Person includes its agents, successors and permitted assigns;

(i) a collective reference to a group of Persons or entities shall be deemed also to be a reference to each Person or entity contained in such group in each such Person’s or entity’s individual capacity, unless stated otherwise;

(j) references to any document, instrument, or agreement (i) shall include all exhibits, schedules, and other attachments thereto, which shall be deemed incorporated by reference in such document, instrument, or agreement, (ii) shall include all documents, instruments, or agreements issued or executed in replacement thereof, and (iii) shall mean such document, instrument, or agreement, or replacement thereof, as amended, modified, and supplemented from time to time and in effect at any given time, and

(k) this Agreement is the result of arm’s-length negotiations among, and has been reviewed by, each party hereto and its respective counsel. Accordingly, this Agreement shall be deemed to be the product of the parties thereto, and no ambiguity shall be construed in favor of or against any party.

10.3 Entire Understanding. This Agreement, including the Schedules and Exhibits hereto, contain the entire understanding among the parties hereto with respect to the transactions contemplated herein and therein, and supersede all negotiations, representations, warranties, commitments, offers, letters of intent, contracts, agreements, understandings, and writings not set forth herein or therein. No waiver and no modification or amendment of any provision of this Agreement shall be effective, unless specifically made in writing and duly signed by all parties

hereto; provided, however, that no waiver, modification or amendment with respect to Section 8.5, Section 8.7, this Section 10.3 and Section 10.11 shall be effective without the consent of the Financing Sources. The failure of any party at any time or times to require performance of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No party's ability to rely upon the representations, warranties, covenants, and other provisions of this Agreement shall be limited by any information or document provided to or obtained by such party, unless specifically set forth in a writing duly signed by all parties hereto. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement (or in any other agreement on the date hereof or in connection herewith).

10.4 Further Assurances. From time to time after Closing, Seller shall, if reasonably requested by Buyer, make, execute and deliver to Buyer such additional assignments, bills of sale, deeds and other instruments of transfer and assignment, as may be necessary or proper to transfer to Buyer all of Seller's right, title, and interest in and to the Assets, free and clear of all Liens (other than Permitted Liens).

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

10.6 Counterparts. This Agreement may be executed in one (1) or more counterparts each of which shall be deemed to be an original, but all of which together shall constitute one (1) and the same instrument. Any such counterpart signature page may be delivered by electronic means, including email in PDF or other image form, and shall become binding on the delivering party upon receipt by the other party.

10.7 Choice of Law; Venue; Waiver of Jury Trial.

(a) This Agreement and the negotiation, execution, performance or nonperformance, interpretation, termination, construction and all matters based upon, arising out of or related to this Agreement, whether arising in law or in equity (collectively, the "Covered Matters"), and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to the Covered Matters, except for documents, agreements and instruments that specify otherwise, shall be governed by the laws of the State of New York without reference to any choice-of-law principles of the laws of such State.

(b) All Actions arising out of or relating to this Agreement and the transactions hereunder shall be heard and determined exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts (and, in the case of appeals, appropriate appellate courts therefrom) in any such Action and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The consents to jurisdiction set forth in this Section 10.7 shall not constitute general consents to service of process in the State of New York and shall have no effect for any purpose except as provided in this Section 10.7 and shall not be deemed to confer rights on any third party. The parties hereto agree that a final judgment

in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

(c) BUYER AND SELLER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER OR SELLER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

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

10.9 Assignment. Neither party may assign or transfer, by operation of law or otherwise, this Agreement or any of its rights, interests, or obligations under this Agreement without the prior written consent of the other party hereto; provided, however, that Buyer may assign this Agreement (and may assign or designate (which designation shall be deemed an “assignment” for purposes of this Section 10.9) prior to or at Closing the right to acquire from Seller and its Affiliates the Owned Real Property and Assets related thereto) upon notice to Seller to a Person controlling, controlled by or under common control with Buyer, provided that such assignment shall not, nor shall there be any expectation that it would, affect or delay the FCC Consent in any manner. Any attempted assignment in violation of this Section 10.9 shall be null and void. No assignment or other transfer permitted by this Section 10.9 shall operate as a release of the assignor’s obligations or liabilities hereunder, and the assignor shall remain liable hereunder notwithstanding such assignment or other transfer. In the event of any assignment or other transfer permitted by this Section 10.9, an instrument of assignment shall be executed by the assignee and shall expressly state that the assignee assumes all of the applicable obligations and liabilities of the assignor contained herein. The terms of this Agreement shall bind and inure to the benefit of the parties’ respective successors and any permitted assigns.

10.10 Notices.

(a) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service, by certified or registered United States mail, postage prepaid, or by confirmed facsimile transmission and addressed as follows:

To Seller:

Hearst Stations Inc.
c/o Hearst Television Inc.
300 West 57th Street
New York, New York 10019

Attention: General Counsel
Facsimile No.: 212-887-6855

and

The Hearst Corporation
300 West 57th Street
New York, New York 10019
Attention: Office of General Counsel

Facsimile No.:212-649-2035

with copies to (which shall not constitute notice to Seller):

Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
1600 Wells Fargo Capitol Center
150 Fayetteville Street
Raleigh, North Carolina 27601
Attention: Wade H. Hargrove
Mark J. Prak
Coe W. Ramsey
Facsimile No.: 919-839-0304

To Buyer:

KITV, Inc.
c/o SJL Broadcast Management Corp.
P.O. Box 13960
San Luis Obispo, CA93406
Attention: Wade O'Hagan
Facsimile No.: (805) 781-6767

With a copy to (which shall not constitute notice to Buyer):

KITV, Inc.
c/o Sankaty Advisors, LLC
John Hancock Tower
200 Clarendon Street
Boston, MA 02116
Attention: Legal Department
Facsimile No.: 617-516-2010

And:

Harrington & McCarthy LLP
888 Worcester Street, Suite 260
Wellesley, MA 02482

Attention: Michael K. Harrington
Facsimile No.: (781) 352-0471

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 10.10, shall be effective upon such delivery.

(b) Either party may from time to time change its address for the purpose of giving of notices to that party, by giving to the other party a notice specifying a new address in compliance with the provisions of this Section 10.10.

10.11 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns, other than any Person or entity entitled to indemnity under Article IX; *provided, however*, that the Financing Sources shall be express third party beneficiaries of Section 8.5, Section 8.7, Section 10.7, and this Section 10.11.

10.12 Bulk Sales. Seller and Buyer hereby waive compliance with the provisions of any applicable bulk sales law, bulk transfer or similar Laws, including Hawaii Revised Statutes § 237-43, with respect to the sale of any or all of the Assets to Buyer, and no representation, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such non-compliance; it being understood that any liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that would not otherwise be Assumed Obligations shall be treated as Excluded Liabilities.

10.13 Like-Kind Exchange. For purposes of this Section 10.13, "Seller" means Seller, or a parent, subsidiary or other Affiliate of Seller. Seller may assign any or all of its rights but not its obligations under this Agreement to any "qualified intermediary" as defined in Treasury Regulations section 1.1031(k)-1(g)(4) and elect to effect a tax deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, provided that such election, nor any actions to be taken by the parties as a result of such election, or as a result of the assignment or exchange, does not hinder or delay the consummation of the transactions contemplated by this Agreement or the prosecution of the FCC Applications, the Closing shall not be contingent upon or subject to the completion of any such assignment, such assignment does not relieve Seller of any liability or obligation under this Agreement, Buyer is not required to take title to any replacement property to be delivered in any assignment or exchange, and such assignment does not cause Buyer to incur any incremental liabilities, costs or expenses. If Seller so elects to assign under this Section 10.13, reasonable advance written notice shall be provided to Buyer of the election, and thereafter (i) Seller may at any time at or prior to Closing assign Seller's rights under this Agreement to a "qualified intermediary" as defined in Treas. Reg. § 1.1031(k) - 1 (g) (4), subject to all of the Seller's rights and obligations hereunder, and (ii) shall promptly provide written notice of such assignment to all parties hereto. Seller shall indemnify and hold harmless Buyer and its employees, agents or contractors from and against all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of, relating to or arising out of Seller's election to effect the acquisition of the Assets as part of a tax-deferred exchange rather than a purchase thereof.

10.14 Disclaimer of Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, SELLER DISCLAIMS ALL WARRANTIES, REPRESENTATIONS AND GUARANTIES WHETHER EXPRESS OR IMPLIED. Buyer disclaims that it is relying upon or has relied upon any representation or warranty not contained in this Agreement that may have been made by any Person.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement on the date and year first written above.

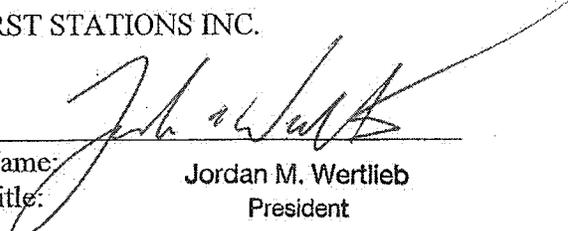
SELLER:

HEARST STATIONS INC.

By: _____

Name:

Title:


Jordan M. Wertlieb
President

BUYER:

KITV, INC.

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement on the date and year first written above.

SELLER:

HEARST STATIONS INC.

By: _____

Name:

Title:

BUYER:

KITV, INC.

By: _____

Name: Wade O'Hagan

Title: Vice President

Exhibit A -- Defined Terms

Defined Terms. The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

“**ABC**” has the meaning set forth in Section 5.4(a).

“**Accounting Firm**” has the meaning set forth in Section 1.6(c).

“**Accounts Receivable**” means all of Seller’s accounts and notes receivable, deferred charges, chattel paper and other rights to receive payments, in each case, arising from the Station Business prior to the Effective Time, including the rights of Seller prior to the Effective Time to payment for the sale of advertising time and other goods and services by the Stations prior to the Effective Time and all other current assets of Seller that are goods or services receivable under any Assumed Contract pursuant to which Seller has sold or traded commercial air time of the Stations in consideration for any property or services in lieu of or in addition to cash. Notwithstanding the foregoing, Accounts Receivable shall not include reimbursement of payments already made by Seller or rights to receive payments resulting from audits related to retransmission consent compensation to the extent arising during or attributable to any period prior to the Effective Time.

“**Action**” shall mean any legal or administrative claim, suit, action, complaint, charge, grievance, arbitration, audit, inquiry, investigation or other proceeding by or before any Governmental Authority.

“**Adjustment Statement**” has the meaning set forth in Section 1.6(b).

“**Affiliate**” means, with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, the specified Person.

“**Affiliation Agreement**” has the meaning set forth in Section 5.4(a).

“**Agreement**” has the meaning set forth in the preamble hereof.

“**Allocation**” has the meaning set forth in Section 1.5(c).

“**Assets**” has the meaning set forth in Section 1.1.

“**Assigned Portion of the Group Contracts**” has the meaning set forth in Section 1.1.

“**Assumed Contracts**” has the meaning set forth in Section 1.1(c).

“**Assumed Obligations**” has the meaning set forth in Section 1.3(b).

“**Authorizations**” has the meaning set forth in Section 1.1(a).

“**Basket Amount**” has the meaning set forth in Section 9.2(b).

“Business Day” means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or that is a day on which banking institutions located in New York, New York, are authorized or required by law or action of a Governmental Authority to close.

“Buyer” has the meaning set forth in the preamble hereof.

“Buyer Fundamental Representations” has the meaning set forth in Section 9.1.

“Buyer Indemnified Party” has the meaning set forth in Section 9.2(a).

“Central IT Resources” means all computer servers, database servers, mainframe computers or other computers used principally to process data for multiple users owned or leased by Seller or hosted for Seller in connection with the Station Business, and all internal data networks, all leased or owned data telecommunications lines or virtual private networks of Seller, and all software operated on any of the foregoing in connection with the Station Business (but not including single-user resources such as personal computers limited to one principal user at a time); but excluding the Excluded IT.

“Claim” has the meaning set forth in Section 9.3(a)

“Closing” has the meaning set forth in Section 2.1.

“Closing Balance Sheet” has the meaning set forth in Section 1.6(b).

“Closing Date” has the meaning set forth in Section 2.1.

“Closing Working Capital” has the meaning set forth in Section 1.6(b).

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” has the meaning set forth in Section 3.5(d).

“Compensation Arrangement” has the meaning set forth in Section 3.14(a).

“Consents” has the meaning set forth in Section 5.4(a).

“Contracts” means contracts, commitments, arrangements, agreements, leases, purchase orders for the sale or purchase of goods or services and any other understandings, including Trade Agreements, in each case whether written or oral.

“Control” including its various tenses and derivatives (such as **“Controlled”** and **“Controlling”**) means (i) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise and (ii) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security.

“Covered Matters” has the meaning set forth in Section 10.7(a).

“Cure Period” has the meaning set forth in Section 8.2.

“Current Assets” means and includes the current assets of the Station Business included in the Assets and identified in the line items on the Illustrative Balance Sheet, including the following: (i) Accounts Receivable (less any reserves for doubtful accounts) and (ii) to the extent that Buyer will receive an economic benefit following the Closing, current program rights, prepaid amounts (including deferred charges, excluding prepaid self-insurance costs), deposits, and other current assets. For the avoidance of doubt, any assets that are related to or derived from any transaction with or among Seller and its Affiliates, including Other Seller Stations, shall be excluded from the “Current Assets”.

“Current Liabilities” means and includes the current liabilities of the Station Business included in the Assumed Obligations and identified in the line items on the Illustrative Balance Sheet, including the following: accounts payable, current program rights payable, accrued payroll taxes, accrued employee payroll, commissions, bonuses and benefit expenses to the extent not satisfied prior to the Effective Time, national rep commissions, and other accrued expenses. For the avoidance of doubt, liabilities that are related to or derived from any transaction with or among Seller and its Affiliates, including Other Seller Stations, shall be excluded from the “Current Liabilities”.

“Damages” has the meaning set forth in Section 9.2(a).

“Dollars” or **“\$”** means United States dollars.

“Effective Date” has the meaning set forth in the preamble hereof.

“Effective Time” means 12:01 A.M. local New York, New York, time, on the Closing Date; provided, however, that with respect to those certain Assumed Contracts relating to advertising time on the Stations, the Effective Time shall be deemed to be 5:00 A.M. Hawaii time on the Closing Date.¹

“Employee Benefit Plans” has the meaning set forth in Section 3.14(a).

“Environmental Condition” has the meaning set forth in Section 5.13.

“Environmental Law” shall mean any Law whether local, state, or federal relating to (a) Releases or threatened Releases of Hazardous Materials into the environment; (b) the use, generation, treatment, storage, disposal, handling, discharging or shipment of Hazardous Material; or (c) otherwise relating to pollution or protection of occupational safety, natural resources or the environment.

“ERISA” has the meaning set forth in Section 3.14(a).

“ERISA Affiliate” has the meaning set forth in Section 3.14(a).

“Escrow Agent” has the meaning set forth in Section 1.4.

“Escrow Agreement” means that certain Escrow Agreement, dated as of even date herewith, by and among Seller, Buyer and Escrow Agent.

“Escrow Deposit” has the meaning set forth in Section 1.4.

“Excluded Assets” has the meaning set forth in Section 1.2.

“Excluded Contracts” has the meaning set forth in Section 1.2(f).

“Excluded Environmental Liabilities” has the meaning set forth in Section 1.3(c)(x).

“Excluded IT” means all devices that connect the Stations to the Hearst wide area network and which provide routing, switching, and security associated with those network connections; Seller’s “HAT-Moss” graphics software; and other internally developed software or information technology resources used by or together with Other Seller Stations.

“Excluded Liabilities” has the meaning set forth in Section 1.3(c).

“Excluded Taxes” means (a) all Taxes imposed on or owed by Seller or its Affiliates for any period; (b) all Taxes relating to the Excluded Assets or Excluded Liabilities for any period; (c) all Taxes relating to the Assets, the Station Business or the Assumed Obligations (including the income derived thereby) imposed with respect to or otherwise attributable to any Pre-Closing Tax Period; (d) all Taxes of Seller of any other Person by reason of (i) being a member of an affiliated, consolidated, combined, unitary or aggregate group that includes the Seller or any of its present or past Affiliates prior to the Closing, (ii) a Tax sharing, tax indemnity or similar agreement entered into by the Seller or any of its present or past Affiliates prior to the Closing, or (iii) transferee or successor liability arising in respect of a transaction undertaken by Seller, or any of its present or past Affiliates prior to the Closing; (e) any obligation or liability for Taxes of Seller, any Affiliate of Seller or any other Person that has owned or operated the Assets prior to the Closing resulting from the consummation of the transactions contemplated by this Agreement; and (f) Transfer Taxes.

“Excluded Tax Assets” has the meaning set forth in Section 1.2(1).

“Expiration Date” has the meaning set forth in Section 9.1.

“FCC” means the United States Federal Communications Commission.

“FCC Applications” has the meaning set forth in Section 5.1(a).

“FCC Consent” has the meaning set forth in Section 5.1(a).

“FCC Licenses” has the meaning set forth in the recitals hereof.

“Fee Title Documents” has the meaning set forth in Section 3.19(a).

“Final Order” has the meaning set forth in Section 6.1(d).

“Final Adjustment Statement” has the meaning set forth in Section 1.6(b).

“Financial Statements” has the meaning set forth in Section 3.18.

“Financing” has the meaning set forth in Section 5.17.

“Financing Sources” has the meaning set forth in Section 5.17.

“FIRPTA Certificate” has the meaning set forth in Section 2.2(a)(v).

“GAAP” means the generally accepted accounting principles (used in the broadcast industry) in the United States, consistently applied.

“Governmental Authority” means any federal, state, local or foreign government, legislature, governmental or administrative agency or commission, any self-regulatory association or authority, any court or other tribunal of competent jurisdiction, or any other governmental authority or instrumentality anywhere in the world.

“Group Contracts” has the meaning set forth in Section 1.2(g).

“Hazardous Material” shall mean hazardous, toxic, or solid wastes, chemicals, substances, contaminants, pollutants or other materials, whether solids, liquids, or gases, defined or regulated under Environmental Laws, including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et. seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300(f) et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq.; or any similar applicable federal, state or local Environmental Laws, including regulations, and standards promulgated thereunder. Hazardous Materials shall include asbestos, petroleum, radioactive materials, and polychlorinated biphenyls.

“Illustrative Working Capital” has the meaning set forth in Section 1.6(a).

“Illustrative Balance Sheet” has the meaning set forth in Section 1.6(a).

“Indemnified Party” has the meaning set forth in Section 9.3(a).

“Indemnifying Party” has the meaning set forth in Section 9.3(a).

“Intellectual Property” has the meaning set forth in Section 1.1(d).

“Intercreditor Agreement” has the meaning set forth in Section 2.2(a).

“Law” means any federal, state, local or foreign constitution, treaty, law (including common law), statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ,

decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

“Lease Title Documents” has the meaning set forth in Section 3.19(b).

“Leased Real Property” has the meaning set forth in Section 3.19(b).

“Liens” has the meaning set forth in Section 1.3(a).

“Market” means the Honolulu Nielsen “Designated Market Area,” as determined by the Nielsen Company.

“Material Adverse Effect” means any effect which is caused by any change, event, occurrence or development which is materially adverse to the Station Business, including the Stations and the Assets, taken as a whole, but excluding any such effect resulting from or arising in connection with: (A) changes, events, occurrences, developments or conditions generally affecting the broadcast television industry, (B) international, United States or regional general economic, legislative, regulatory or political changes, events, occurrences, developments or conditions, (C) action taken by the Buyer or action taken by the Seller pursuant to the terms and subject to the conditions of this Agreement, (D) any change in Law or GAAP or other accounting principles, (E) any failure by the Station Business to meet internal projections or forecasts for any periods, and (F) attrition of the Station Employees that result from the announcement or pendency of this Agreement or the transactions contemplated hereby (but only to the extent that, in the case of the events or circumstances referenced in clauses (A), (B) and (D) such events or circumstances do not affect Seller or the Station Business in a materially disproportionate manner relative to other companies in the television broadcast industry).

“Material Disruption” means the failure of the Stations to (i) broadcast a signal via the Stations’ or other stations’ over-the-air broadcast facilities to at least 75% of the Stations’ FCC licensed aggregate noise-limited contour population coverage; (ii) otherwise make the Stations’ programming available for receipt by at least 75% of the population located in the Stations’ FCC licensed aggregate noise-limited contour population coverage area; and (iii) deliver a signal, whether over-the-air or otherwise, to one or more MVPDs if such failure is the sole cause of the Stations’ programming not being available to at least 75% of the aggregate number of unique television households in the service areas of the MVPDs that carry the Stations’ programming immediately prior to such failure.

“MVPDs” means multichannel video programming distributors, including cable systems, satellite master antenna television systems, open video systems, multipoint distribution service systems, multichannel multipoint distribution service systems, telephone companies, and direct broadcast satellite (DBS) systems.

“Non-Station Employee” has the meaning set forth in Section 3.15(a).

“Other Seller Stations” means any station or business unit of the Seller or any of its Affiliates other than the Stations.

“Outside Date” has the meaning set forth in Section 8.1(d).

“Owned Real Property” has the meaning set forth in Section 3.19(a).

“Permitted Liens” has the meaning set forth in Section 1.3(a).

“Person” means a human being, labor organization, partnership, firm, enterprise, association, joint venture, corporation, limited liability company, cooperative, legal representative, foundation, society, political party, estate, trust, trustee, trustee in bankruptcy, receiver or any other organization or entity whatsoever, including any Governmental Authority.

“Post-Closing Tax Period” means any taxable period beginning after the Closing Date and, with respect to any Straddle Period, the portion of such taxable period beginning after the Closing Date.

“Pre-Closing Tax Period” means any taxable period ending on or before the Closing Date, and with respect to any Straddle Period, the portion of such taxable period ending on or before the Closing Date.

“Present Fair Salable Value” has the meaning set forth in Section 4.10.

“Property” has the meaning set forth in Section 5.3(b).

“Purchase Price” has the meaning set forth in Section 1.5(a).

“Real Property” has the meaning set forth in Section 1.1(e).

“Real Property Lease” and **“Real Property Leases”** has the meaning set forth in Section 1.1(e).

“Release” shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient or indoor air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

“Seller” has the meaning set forth in the preamble hereof.

“Seller Accounting Policies” has the meaning set forth in Section 1.6(a).

“Seller Fundamental Representations” has the meaning set forth in Section 9.1.

“Seller Indemnified Party” has the meaning set forth in Section 9.2(c).

“Seller’s Knowledge” (and similar phrases) means the actual knowledge after reasonable inquiry of any of the following Persons associated with Seller and the Stations: Jordan Wertlieb, John Drain, Frank Biancuzzo, Marty Faubell and Andrew Jackson (Stations general manager).

“Solvent” has the meaning set forth in Section 4.10.

“**Spectrum Auction Contingency Agreement**” means the agreement in the form set forth in Exhibit B.

“**Station(s)**” has the meaning set forth in the recitals hereof.

“**Station Business**” means the business of owning and operating the Stations. For the avoidance of doubt, the Station Business does not include the business of the Maui Television Broadcasters, LLC (however, the interest in the Maui Television Broadcasters, LLC, being conveyed hereunder is an Asset under this Agreement).

“**Station Contracts**” has the meaning set forth in Section 3.10(b).

“**Station Documents**” has the meaning set forth in Section 1.1(f).

“**Station Employee(s)**” has the meaning set forth in Section 3.15(a).

“**Straddle Period**” has the meaning set forth in Section 10.1(b).

“**Straddle Period Claim**” has the meaning set forth in Section 9.3(b).

“**Survey**” has the meaning set forth in Section 5.12(b)(i).

“**Survey Defect**” has the meaning set forth in Section 5.12(b)(i).

“**Tangible Personal Property**” has the meaning set forth in Section 1.1(b).

“**Target Working Capital**” means Zero Dollars (\$0.00).

“**Tax**” means (i) any taxes, levies or other assessments, including U.S. federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, license, lease, service, service use, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, documentary, registration, customs, duties, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not; (ii) liabilities for the payment of any amounts of the type described in clause (i) as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group; (iii) liabilities for payment of any amounts as a result of an express or implied obligation to indemnify any other Person with respect to the payment of any amounts described in clause (i) or clause (ii); and (iv) liabilities for the payment of any amounts as a result of transferee or successor liability with respect to the payment of any amounts of the type described in clause (i), (ii) or (iii).

“**Tax Regulations**” has the meaning set forth in Section 1.5(c).

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination,

assessment or collection of any Tax and shall include any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority.

“Title Commitment” has the meaning set forth in Section 5.12(a).

“Title Documents” has the meaning set forth in Section 3.19(b).

“Title Policy” and **“Title Policies”** have the meaning set forth in Section 5.12(a).

“Towers” means all antenna support structures, including any guy anchors and guy wires, used in connection with the Station Business.

“Transfer Taxes” has the meaning set forth in Section 10.1(a).

“Transferred Employees” has the meaning set forth in Section 5.11(a).

“Transition Services Agreement” has the meaning set forth in Section 2.2(a).

“Transmission Equipment” means all equipment used or held for use in connection with the Station Business, including the antenna, transmitter and all associated transmission equipment, lines and facilities.

“Transmission Structures” shall mean all Towers, transmitter buildings and other structures and improvements used or held for use in connection with Station Business.

“Waiver” has the meaning set forth in Section 4.3.

“WARN Act” means the U.S. Workers Adjustment and Retraining Notification Act and the rules and regulations issued thereunder and any similar applicable Law.

“Working Capital” means an amount equal to the difference of the Current Assets, minus the Current Liabilities.

Schedules

Schedule 1.1(a)	–	Authorizations
Schedule 1.1(b)	–	Tangible Personal Property
Schedule 1.1(c)(i)	–	Certain Assumed Contracts
Schedule 1.1(d)	–	Intellectual Property
Schedule 1.1(e)	–	Real Property
Schedule 1.2(f)	–	Excluded Contracts
Schedule 1.2(g)	–	Group Contracts
Schedule 1.3		Permitted Liens
Schedule 1.6	–	Illustrative Balance Sheet and Illustrative Working Capital
Schedule 3.5(b)	–	FCC Exceptions
Schedule 3.5(d)	–	FCC Compliance Exceptions
Schedule 3.7(b)	–	Sufficiency of Assets Exceptions
Schedule 3.8(a)	–	Litigation Exceptions
Schedule 3.8(b)	–	Violation of Law Exceptions
Schedule 3.9(a)	–	Intellectual Property Exceptions
Schedule 3.9(b)	–	Registered Trademarks
Schedule 3.10(a)	–	Material Contracts
Schedule 3.10(b)	–	Contracts Exceptions
Schedule 3.11		Pending Insurance Claims
Schedule 3.12	–	Condition of Tangible Personal Property Exceptions
Schedule 3.13	–	Consents
Schedule 3.14	–	Employee Benefit Plans
Schedule 3.15(a)	–	Station Employees
Schedule 3.15(b)	–	Labor Exceptions
Schedule 3.16	–	Tax Exceptions
Schedule 3.18	–	Financial Statements Exceptions
Schedule 3.19(c)	–	Real Property Exceptions
Schedule 3.19(d)	–	Real Property Exceptions
Schedule 3.20	–	Environmental Exceptions
Schedule 3.21	–	MVPDs
Schedule 3.22	–	Stations Operations

- Schedule 5.11(a) – Excluded Employee(s)
- Schedule 6.1(c) – Required Consents and Notices