

**ASSET PURCHASE AGREEMENT**

dated as of

March 1, 2013

by and among

TELEMUNDO MID-ATLANTIC LLC,

NBC TELEMUNDO LICENSE LLC

and

ZGS PHILADELPHIA, INC.

and

ZGS COMMUNICATIONS, INC.

and

NBCUNIVERSAL MEDIA, LLC  
(solely with respect to Section 11.3)

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is dated as of March 1, 2013 by and among Telemundo Mid-Atlantic LLC, a Delaware limited liability company, (“**Mid-Atlantic**”), NBC Telemundo License LLC, a Delaware limited liability company (“**LicenseCo**” and collectively with Mid-Atlantic, “**Buyer**”), ZGS Philadelphia, Inc., a Delaware corporation (“**Seller**”), ZGS Communications, Inc., a Delaware corporation (“**Parent**”) and NBCUniversal Media, LLC, a Delaware limited liability company (“**NBCU**”) solely with respect to Section 11.3. Seller and Parent are sometimes hereinafter referred to collectively as the “**ZGS Parties.**”

### WITNESSETH:

WHEREAS, Seller (i) owns and operates WWSI(TV), a full power television station licensed to Atlantic City, NJ, and assigned to the Philadelphia DMA (as herein defined) and its associated auxiliary facilities (the “**Station**”), licensed by the Federal Communications Commission (the “**FCC**”) to broadcast on digital Channel 49 from the Existing Tower (as herein defined); and (ii) holds an unbuilt construction permit (“**Construction Permit**”) to operate with effective radiated power of 860 kW at an antenna height of 272 meters above ground level at a tower site (the “**Richland Waterford Works Tower**”) owned by Western Pacific Towers, LLC; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and subject to the conditions contained in this Agreement, substantially all of the assets, rights, privileges, interests, business and properties owned, leased, used, useful or held for the use by Seller in connection with the Station.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements herein contained, and intending to be legally bound, the parties hereto agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### Section 1.1 Definitions.

(a) The following terms, as used herein, shall have the meanings ascribed to them below:

“**2007 Purchase Agreement**” means the Asset Purchase Agreement, dated as of December 27, 2007 by and between Parent and Hispanic Broadcasters of Philadelphia, LLC and any document executed in connection with the transactions contemplated by such agreement.

“**Amendment to Blanket Amendment**” means the Amendment to Blanket Amendment to be entered into on the Closing Date in the form attached hereto as Exhibit A.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such first Person. For such purpose “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise.

“**Affiliation Agreement**” means that affiliation agreement dated as of March 10, 2008 by and between Seller and Telemundo Network Group LLC, as amended.

“**Assumed Purchase Price Liabilities**” means (without duplication) the sum of the following, which Buyer shall assume pursuant to this Agreement, as the same shall exist on the Closing Date, to the extent consistent with the representations, warranties and covenants of Seller contained or referred to herein and to the extent (and only up to such amount) included on the Seller’s Adjustment Certificate described in Section 2.5(c) and as adjusted in the Buyer’s Adjustment Certificate described in Section 2.6(a), calculated in accordance with GAAP except as otherwise provided below:

(i) all accounts payable and accrued expenses related to the Station, incurred in the ordinary course of business; and

(ii) all deferred revenue received by Seller on or prior to the Closing Date for services to be rendered by Buyer to other third parties after the Closing Date, including payments for television commercials or other services or rentals.

“**Business Day**” means any day other than a Saturday, Sunday or holiday on which financial institutions in the State of New York are or may elect to be closed.

“**Business Records**” means all business records, regardless of the medium of storage, relating to Seller, the Assets and/or the Station, including all correspondence, accounts, advertiser lists, archives, morgues, papers, schematics, blueprints, working drawings, engineering data, current customer lists, maps, reports, plans, specifications, projections, statistics, promotional graphics, original art work, mats, plates, negatives, sales and/or advertising, marketing or related materials, files, manuals and records, and all other technical, accounting and financial information concerning Seller, the Assets and/or the Station and all logs and other records relating to the operation of the Station, including those required by the FCC to be maintained by Seller at the Station;

“**CEI Certificate**” means a certificate executed by a duly authorized representative of Consolidated Engineering, Inc. in favor of Buyer certifying that the statements set forth in Schedule 3.23(b) are true and correct in all respects.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

**“Closing Date”** means the date of the Closing.

**“Communications Act”** means the federal Communications Act of 1934, as amended.

**“Contracts”** means all claims and rights of every kind arising out of or related to all agreements for the sale of advertising time, network affiliation agreements, spectrum lease agreements, website agreements, local marketing or time brokerage agreement, retransmission agreements, agreements in respect of the Existing Tower and the Richland Waterford Works Tower, agreements in respect of Programming, and other contracts, agreements, arrangements, leases, franchises, licenses, commitments, sales and purchase orders, bonds and other instruments, whether written or oral, in each case to which Seller is a party or otherwise bound and which relate to the Station or the Assets, together with all agreements in respect of the Real Property, including the items listed on Schedule 3.9(a).

**“Copyright Act”** means the Copyright Act of 1976, as amended.

**“Copyright Office”** means the United States Copyright Office.

**“Current Assets”** means the amount of the items set forth on Schedule 1.1 hereof included in the Assets calculated in accordance with GAAP plus (without duplication of the items set forth on Schedule 1.1) the face amount of all accounts receivable included in the Assets minus an allowance for doubtful accounts with respect to such accounts receivable, calculated in accordance with GAAP.

**“Environmental Laws”** means any Legal Requirement, License or Contract applicable to Seller, the Assets or the Station, in each case relating to the environment, the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic, radioactive or hazardous substances or wastes into the environment, including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic, radioactive or hazardous substances or wastes or the clean-up or other remediation thereof.

**“Environmental Liabilities”** means any and all Liabilities arising in connection with or in any way relating to Seller, the Station, the Assets or activities or operations occurring or conducted at any of the Real Property (including offsite disposal), whether accrued, contingent or fixed, actual or potential, known or unknown, which (i) arise under or relate to Environmental Laws and (ii) relate to actions occurring or conditions existing on or prior to the Closing Date, including any matter disclosed or required to be disclosed on Schedule 3.16.

**“Environmental Permits”** means all Licenses relating to or required by Environmental Laws and affecting, or relating in any way to, the Station or the Assets (including the Real Property), including the items listed on Schedule 3.9(a)(iv).

“**Escrow Agent**” means U.S. Bank, National Association or another escrow agent mutually agreed between Buyer and Seller.

“**Escrow Agreement**” means the Escrow Agreement to be entered into on the Closing Date among Buyer, Seller and the Escrow Agent in the form attached hereto as Exhibit B.

“**Existing Tower**” means the broadcast transmission tower located on the Leased Premises (as defined in the Existing Tower Land Lease).

“**Existing Tower Land Lease**” means that certain Land Lease and Tower Revenue Sharing Agreement made as of February 24, 2000 by and between the Township of Little Egg Harbor and Seller, as assignee of Hispanic Broadcasters of Philadelphia, L.L.C., as successors to Council Tree Communications, L.L.C., as amended.

“**FAA**” means the Federal Aviation Administration.

“**FCC**” means the Federal Communications Commission.

“**FCC Consent**” means the actions of the FCC or its staff acting under delegated authority consenting to the assignment of the FCC Authorizations to LicenseCo .

“**Final Order**” means a grant of the FCC Consent which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which: (i) no request for stay by the FCC or any third party is pending, and no such stay is in effect, and any deadline for filing a request for any such stay has passed; (ii) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the applicable deadline for filing any such appeal, petition or application has passed; (iii) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (iv) no appeal to a court, or request for stay by a court, of the FCC Consent is pending or in effect, and the deadline for filing any such appeal or request has passed.

“**GAAP**” means generally accepted accounting principles in the United States, consistently applied.

“**Governmental Authority**” means (i) the United States of America, (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces and parishes), (iii) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof, (iv) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing, (v) any multinational organization or body, or (vi) Person exercising or entitled to exercise any executive, legislative, judicial, administrative, regulatory, police, military or taxing power of any nature.

**“Hazardous Substances”** means any pollutant, contaminant, toxic, radioactive, corrosive or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics, regulated by or which may form the basis for Liability under Environmental Laws or that is regulated or labeled as such pursuant to any Environmental Law.

**“Intellectual Property”** means all of the following: (i) all trademarks, service marks, trade dress, logos, jingles, slogans, trade names and corporate names, together with all translations, adaptations, derivations and combinations thereof and all applications, registrations and renewals in connection therewith; (ii) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (iii) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, technical data, designs, drawings, specifications, advertiser lists, customer and supplier lists, and business marketing plans and proposals); (iv) all computer software (including data and related documentation); (v) all other proprietary rights; and (vi) all copies and tangible embodiments thereof (in whatever form or medium).

**“Judgment”** means any judgment, judicial decision, writ, order, and injunction, award or decree of or by any Governmental Authority or private arbitration tribunal.

**“Knowledge”** (and with correlative meaning for derivations thereof) of Seller of a particular fact or matter means, the actual knowledge of Ronald J. Gordon, Eduardo Zavala, Peter J. Housman, and Clara Rivas of such fact or matter after a reasonably comprehensive investigation. **“Knowledge”** (and with correlative meaning for derivations thereof) of any other Person of a particular fact or matter means, the actual knowledge of the officers of such Person of such fact or matter after a reasonably comprehensive investigation.

**“Legal Requirement”** means applicable common law and any statute, ordinance, code, law, rule, regulation, order, restriction, technical or other written standard, requirement (licensing or otherwise) or procedure enacted, adopted, promulgated, applied or followed by or any agreement entered into by any Governmental Authority, including any Judgment.

**“Letter of Intent”** means that certain letter agreement, dated as of August 21, 2012 by and between Seller and Telemundo Network Group LLC.

**“Liability”** means any debt, obligation, duty or liability of any kind or nature whatsoever, whether accrued, absolute, determined, determinable or otherwise (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with generally accepted accounting principles and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

**“Licenses”** means all broadcast licenses, broadcast auxiliary licenses, satellite earth station licenses, relay service licenses, business radio licenses, microwave licenses, certificates of public convenience and necessity, telecommunications ordinances, copyright

notices and other licenses, authorizations, registrations, certificates, approvals, consents and permits issued by the FCC or any other Governmental Authority.

“**Lien**” means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset, including any Station Option, conditional sale agreement, capital lease or other title retention agreement.

“**Material Adverse Effect**” means a material adverse effect on the business, assets, condition (financial or otherwise) or results of operations of Seller, the Assets or the Station, and shall not include: (a) local, national or global economic or market conditions generally, so long as such conditions do not adversely affect the business, assets, condition (financial or otherwise) or results of operations of Seller, the Assets or the Station, in a materially disproportionate manner relative to other similarly situated participants in the industries or markets in which Seller operates or (b) conditions in the television broadcasting industry generally, including any actions of or by the FCC that are broadly applicable to or that generally affect the television broadcasting industry, so long as such conditions do not adversely affect the business, assets, condition (financial or otherwise) or results of operations of Seller, the Assets or the Station, in a materially disproportionate manner relative to other similarly situated participants in the television broadcasting industry.

“**Material Contracts**” means all Licenses and Contracts of the kind described in any of Section 3.9(a)(i) to (xxii) inclusive.

“**Net Current Assets**” means the amount (if any) by which the Current Assets as of the Closing Date are in excess of the Assumed Purchase Price Liabilities as of the Closing Date.

“**Net Liabilities**” means the amount (if any) by which the Assumed Purchase Price Liabilities as of the Closing Date are in excess of the Current Assets as of the Closing Date.

“**Non-Competition Agreement**” means the agreement substantially in the form attached hereto as Exhibit C.

“**Outside Date**” means the date that is one year following the date hereof; provided, however, that if on such date the FCC Consent shall not have become a Final Order, then either Buyer or Seller may extend the Outside Date until the date that is the 15-month anniversary of the date hereof upon written notice of such extension to the other parties hereto.

“**Permitted Liens**” means (i) statutory liens for taxes and other governmental charges and assessments which are not yet due and payable, (ii) rights reserved to any Governmental Authority to regulate the affected Asset, including zoning laws and ordinances, none of which, individually or in the aggregate, adversely detract from the value of any of the Assets or interfere with the right or ability to own, use, dispose of or operate any of the Assets; (iii) non-monetary liens, easements or encumbrances on Real Property that do not affect its

intended uses as broadcast facilities in any material respect and (iv) with respect to the Existing Tower, to the extent attributable to actions occurring or conditions first occurring after the time of the Closing, all Liabilities of Seller arising under each of the following agreements (other than Liabilities attributable to any failure by any of the ZGS Parties to comply with the terms thereof): (A) U.S. Government Lease for Real Property dated January 16, 2003, by and between Hispanic Broadcasters of Philadelphia, LLC and the United States of America, as modified by Supplemental Lease Agreement No. 10, dated as of June 15, 2010, as assigned to Seller pursuant to the 2007 Purchase Agreement, (B) Communications Site Lease Agreement entered into \_\_\_\_\_, 2005, by and between Hispanic Broadcasters of Philadelphia, LLC and MediaFLO USA, Inc., as assigned to Seller pursuant to the 2007 Purchase Agreement, (C) Lease agreement, dated as of May 29, 2002, by and between Hispanic Broadcasters of Philadelphia, LLC, and Cellular Telephone Company, a New York partnership d/b/a AT&T Wireless, as assigned to Seller pursuant to the 2007 Purchase Agreement, (D) Tower License Agreement dated November 1, 2005, between Hispanic Broadcasters of Philadelphia, LLC and Press Communications, LLC, as assigned to Seller pursuant to the 2007 Purchase Agreement and (E) the Existing Tower Land Lease.

**“Person”** means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including any Governmental Authority.

**“Personal Property”** means all tangible personal property, including all electronic devices; towers; satellite earth stations; equipment; antennas; transmitters; machinery; origination, transmission and distribution systems and equipment; internal wiring; hardware; tools; inventory; vehicles; spare parts; microwave equipment and systems; furniture; furnishings; trade fixtures; office equipment and supplies.

**“Philadelphia DMA”** means the Philadelphia Designated Market Area as defined by Nielsen Media Research.

**“Prime Rate”** means the prime rate of interest, as amended from time to time, of The Bank of New York in New York City.

**“Proceeding”** shall mean any claim, action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or is in the future commenced, brought, conducted or heard at law or in equity or before any Governmental Authority or any arbitrator or arbitration panel and any other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

**“Programming”** means (i) all films, film libraries and news archives, if any, all programs, programming material and inventories and production material of whatever form or nature (whether recorded on film, tape or any other substance or whether intended for live performance, television broadcast or any other medium, and whether completed or in production) owned by Seller and/or used or intended for use in the operation of the Station, (ii)

all licenses and broadcast and other rights thereto and all amendments, extensions, renewals, substitutions and replacements thereof, and (iii) other such licenses and rights related thereto as may be entered into in accordance with the terms of this Agreement from the date hereof through the Closing Date;

**“Real Property”** means all owned real property and all leases, easements, owned rights of access and other interests, in each case used or held for use in the operation of the Station, in each case together with all buildings, fixtures, and improvements erected thereon, including the items listed on Schedule 3.6(a) and Schedule 3.9(a).

**“Regulated Activity”** means any generation, treatment, storage, recycling, transportation or Release of any Hazardous Substance.

**“Regulatory Notices”** means all written notices, written requests, written inquiries or other written communications from the FCC relating to or requesting information from the Station or requesting that the Station take certain actions.

**“Regulatory Orders”** means all written orders, written decisions, written actions, written determinations or other written pronouncements of the FCC specifically with respect to the Station.

**“Regulatory Petitions”** means all petitions, motions, oppositions, notices of appeal, applications or similar instruments filed or submitted by or to the FCC with respect to the Station.

**“Related Party”** means (i) any Affiliate of any ZGS Party, (ii) any director, officer or employee of any ZGS Party or any such Affiliates, (iii) any family member of any ZGS Party that is a natural person or any such director, officer or employee described in clause (ii), and (iv) any Affiliate of any individual described in clause (ii) or (iii) or any other Person with respect to which any such individual serves as a director, officer, partner, executor or trustee (or in a similar capacity).

**“Release”** (and with correlative meaning for derivations thereof) means any discharge, emission or release, including a “release” as defined in CERCLA at 42 U.S.C. § 9601(22).

**“Richland Waterford Works Tower Lease”** means the Lease Agreement, dated as of January 18, 2013, between Seller and Western Pacific Towers LLC with respect to the Richland Waterford Works Tower.

**“Station Call Letters”** means the television call letters “WWSI,” and the trade names used in connection therewith, and any derivation, variant or modification thereto and any logograms, jingles and other Intellectual Property Rights incorporating or using such call letters, names or styles;

“**Station Logs and Records**” means all logs and other records relating to the operation of the Station, including those required by the FCC to be maintained by Seller at the Station;

“**Station Option**” means any purchase option, right of first refusal or similar arrangement which would be triggered by the change of control, sale, disposition or other transfer of the Station or the Assets.

“**Transition Services Agreement**” means the Transition Services Agreement to be entered into on the Closing Date among Buyer, Seller and Parent in the form attached hereto as Exhibit D.

“**Verizon FiOS Retransmission Agreement**” means the Agreement for Distribution of Stations among ZGS Television of Tampa, Inc., Onda Capital, Inc. and ZGS Providence, Inc. and Verizon Corporate Services Group Inc., dated as of December 7, 2009, as amended December 15, 2011 to include Seller for carriage on Verizon FIOS systems.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Arbitrator	2.6(a)
Assets	2.1
Assumed Contracts	2.9
Assumed Parent Contracts	2.1(k)
Assumed Seller Contracts	2.1(k)
Assumed Liabilities	2.3
Burdensome Condition	6.1(b)
Buyer	Preamble
Buyer’s Adjustment Certificate	2.6(a)
Closing	2.7
Code	7.1
Construction Permit	Recitals
Contest Notice	10.3(c)
Disclosing Party	6.4
EEO	3.13(b)
Employee Benefit Plan	8.1
ERISA	8.1
ERISA Affiliate	8.1
Escheat Payment	7.1
Escrow Agent	2.5(d)
Estimated Purchase Price	2.5(d)
Excluded Assets	2.2
Excluded Liabilities	2.4
FCC	Recitals

<b><u>Term</u></b>	<b><u>Section</u></b>
FCC Application	6.2
FCC Authorizations	3.11(a)
FCC Rules	3.13(b)
Final Purchase Price	2.6(b)
Financial Statements	3.4
Indemnity Notice	10.3(a)
Indemnified Party	10.3(a)
Indemnifying Party	10.3(a)
Indemnity Escrow Amount	2.5(d)
Interim Balance Sheet	3.4
Interruption Event	5.10
LicenseCo	Preamble
Loss	10.2(a)
Mid-Atlantic	Preamble
Minor Modification	Recitals
MVPDs	3.17(a)
Objection Notice	2.6(a)
Parent	Preamble
Post-Closing Tax Period	7.1
Pre-Closing Tax Period	7.1
Proposed Allocation	2.8
Purchase Price	2.5(a)
Rebates and Credits	2.1(g)
Recipient Party	6.4
Representatives	5.4
Required Consents	3.10
Richland Waterford Works	Recitals
Tower	
Sale Notice	7.3(h)
Search Results	5.6
Section 1031 Exchange	12.4
Seller	Preamble
Seller's Adjustment Certificate	2.5(c)
Specified Matters	3.6(c)
State	7.3(h)
Station	Recitals
Taking	5.11(b)
Tax	7.1
Tax Proceeding	7.3
Tax Return	7.1
Transferred Employee	8.3(c)
Warn Act	6.5
ZGS Parties	Preamble

## Section 1.2 Interpretation.

- (a) In this Agreement, unless a clear contrary intention appears:
- (i) where not inconsistent with the context, words used in the present tense include the future tense and vice versa and words in the plural number include the singular number and vice versa;
  - (ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement;
  - (iii) reference to any gender includes each other gender;
  - (iv) except for references made in any Schedule to this Agreement, reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and includes all addenda, exhibits and schedules thereto;
  - (v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;
  - (vi) reference to any Governmental Authority includes any designee thereof or successor thereto;
  - (vii) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof and, unless the context otherwise requires, references herein to a specific Article, Section, subsection, preamble, recital, Schedule or Exhibit refer, respectively, to Articles, Sections, subsections, preamble, recitals, Schedules or Exhibits of this Agreement;
  - (viii) "including" (and with correlative meaning, "include") means including without limiting the generality of any description preceding such term;
  - (ix) "or" is used in the inclusive sense of "and/or";
  - (x) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding"; and
  - (xi) the terms "Dollars" and "\$" mean United States Dollars.
- (b) Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

(c) The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

(d) This Agreement was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

## **ARTICLE 2**

### **PURCHASE AND SALE**

**Section 2.1 Purchase and Sale.** Except as otherwise provided below, upon the terms and subject to the terms and conditions of this Agreement, at the Closing, Mid-Atlantic shall (except with respect to the FCC Authorizations, in which case LicenseCo shall) purchase and accept the conveyance, transfer, assignment and delivery from Seller, and Seller shall sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Mid-Atlantic (except with respect to the FCC Authorizations, in which case to LicenseCo), free and clear of all Liens other than Permitted Liens, all of the right, title and interest of Seller in, to and under the assets, properties, goodwill, business and rights, of every kind, nature and description, wherever located, real, personal or mixed, tangible or intangible, owned, held or used in the conduct of the Station by Seller as the same shall exist on the Closing Date, including all right, title and interest of Seller in, to and under the following, which (whether or not listed below), together with the Assumed Parent Contracts, are hereinafter collectively referred to as the “**Assets**”:

(a) all Licenses, including the FCC Authorizations and including the Licenses listed on Schedule 2.1(a) and all deposits with respect thereto or with respect to any bonding or surety arrangement;

(b) all Station Call Letters;

(c) all Programming;

(d) all Station Logs and Records;

(e) all benefits owed to the Seller and/or the Station under trade, barter or similar arrangements, including those listed on Schedule 2.1(e) to be received for advertising time on the Station that have not been received prior to the Closing Date;

(f) all rights in performance or other bonds, security or other deposits, advances, advance payments, prepaid credits and expenses, and deferred charges, including those listed on Schedule 2.1(f);

(g) all rights in, to and under claims for refunds, rebates or other discounts due from suppliers or vendors and rights to offset in respect thereof (the “**Rebates and Credits**”);

- (h) all Real Property;
- (i) all Personal Property;
- (j) the Existing Tower;
- (k) the Existing Tower Land Lease, the Richland Waterford Works Tower Lease and all Contracts listed on Schedule 2.1(k) (all contracts referred to in this Section 2.1(k) collectively, the “**Assumed Seller Contracts**”, and together with the Assumed Parent Contracts (as defined in Section 2.9), the “**Assumed Contracts**”);
- (l) all Business Records;
- (m) all Intellectual Property;
- (n) all rights, claims and causes of action against third parties resulting from or relating to the operation of the Station or the Assets prior to the Closing, including any rights, claims and causes of action arising under warranties from vendors and other third parties, any rights, claims or causes of action under the 2007 Purchase Agreement, and 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 or the Assets with respect to the period prior to the Closing Date;
- (o) all accounts receivable, notes receivable, prepaid expenses and insurance and indemnity claims to the extent related to any of the Assets;
- (p) all goodwill associated with the Station and the Assets;
- (q) all other assets of whatever nature and wherever located that are owned, used or held for use by Seller in connection with the Station; and
- (r) copies of any books and records that Seller is required by law to retain.

*provided, however*, that, notwithstanding the foregoing, the Assets shall not include the Excluded Assets.

**Section 2.2 Excluded Assets.** The following (and only the following) assets and properties of Seller (the “**Excluded Assets**”) shall be excluded from the Assets:

- (a) all cash and cash equivalents on hand and in banks (other than any deposits referred to in Section 2.1);
- (b) all Contracts that are not Assumed Contracts;
- (c) any books and records that Seller is required by law to retain, and Seller’s corporate books and records;

(d) subject to the provisions set forth in Section 6.6, all trademarks, service marks, copyrights, and trade names referred to on Schedule 2.2(d), and all rights associated therewith owned or held by Seller;

(e) all claims, rights and interest in and to any refunds of Taxes of any nature;

(f) any rights under this Agreement or any document executed in connection with the transactions contemplated by this Agreement; and

(g) the ZGS group traffic system located in Washington DC and used at the Station (the "Traffic System").

**Section 2.3 Assumption of Liabilities.** Upon the terms and subject to the conditions of this Agreement, Mid-Atlantic shall, effective at the time of the Closing, assume and agree to pay, discharge and perform the following (and only the following) Liabilities of Seller (the "**Assumed Liabilities**"): (a) the Assumed Purchase Price Liabilities; and (b) to the extent attributable to actions occurring or conditions first occurring after the time of the Closing, all Liabilities of Seller arising under the Assumed Contracts (other than Liabilities attributable to any failure by any of the ZGS Parties to comply with the terms thereof). Notwithstanding anything in the immediately preceding sentence to the contrary, with respect to the Verizon FiOS Retransmission Agreement, Buyer shall not assume (and the Assumed Liabilities shall not include) any Liabilities of any party other than Seller or any Liabilities with respect to any station other than the Station.

**Section 2.4 Excluded Liabilities.** Notwithstanding any provision in this Agreement or any other writing to the contrary, Mid-Atlantic is assuming only the Assumed Liabilities and Buyer is not assuming any other Liability of Seller (or any predecessor owner of all or part of its business and assets) or Parent (or any predecessor owner of the Assumed Parent Contracts) of whatever nature, whether presently in existence or arising hereafter, known or unknown, disclosed or undisclosed, contingent or otherwise. All such other Liabilities shall be retained by and remain Liabilities of Seller, Parent or a predecessor, as applicable (all such Liabilities not being assumed being referred to herein as the "**Excluded Liabilities**"). The Excluded Liabilities shall include the following:

(a) any Liability attributable to any assets, properties or Contracts that are not included in the Assets;

(b) any Liability for breaches of any Assumed Contract on or prior to the Closing Date

(c) except to the extent (and only up to such amount) included in the calculation of Assumed Purchase Price Liabilities, any Liability for payments or amounts due under any Assumed Contract on or prior to the Closing Date;

(d) except to the extent (and only up to such amount) included in the calculation of Assumed Purchase Price Liabilities, any Liability with respect to periods prior to and including the time of the Closing;

(e) any Liability for Taxes or any audits related thereto (including property, sales and payroll taxes) arising from or relating to (i) the Excluded Assets or any business of Seller and (ii) the Assets or the operation of the Station attributable to or incurred in the Pre-Closing Tax Period;

(f) any Liability for or with respect to any loan or other indebtedness;

(g) any Liability relating to Seller's or Seller's Affiliates' employee benefits or compensation arrangements, including any Liability arising from or relating to (i) "sticking bonuses" or similar payments to induce Seller's employees to remain in Seller's employ prior to the Closing; (ii) severance payments, or, except to the extent included in the calculation of Assumed Purchase Price Liabilities, accrued and unused paid time off, (iii) short-term or long-term disability benefits, or (iv) any of Seller's Employee Benefit Plans;

(h) any Environmental Liability;

(i) any Liability relating to an Excluded Asset, including any Liability arising out of a claim by any party to any Contract which is an Excluded Asset arising out of the failure to transfer such Excluded Asset;

(j) any Liability arising from any Proceeding, actual or threatened, relating to any act or omission occurring on or prior to the Closing Date;

(k) any Liability arising from accidents, occurrences, misconduct, negligence, breach of fiduciary duty or statements made or omitted to be made (including libelous, slanderous or defamatory statements) prior to the Closing, whether or not covered by workers' compensation or other forms of insurance;

(l) any Liability incurred in connection with the making or performance of this Agreement and the transactions contemplated hereby;

(m) any costs or expenses incurred in connection with shutting down, deinstalling and removing equipment not included in the Assets and any costs or expenses associated with any Contracts not included in the Assumed Contracts hereunder;

(n) any Liability for expenses and fees incurred by Seller or Parent incidental to the preparation of this Agreement and the documents executed in connection with the transactions contemplated by this Agreement, preparation or delivery of materials or information requested by Buyer, and the consummation of the transactions contemplated by this Agreement, including any Liability of Seller or Parent to any broker, counsel or accountant (subject to the other provisions of this Agreement, including the agreement of Seller and Buyer respectively to bear one-half of all FCC filing fees in connection with the FCC Application);

(o) any Liability to any Affiliates of Seller or Parent;

(p) any Liability as to which Seller or Parent or any other Person might assert that Buyer has transferee liability, other than the Assumed Liabilities;

(q) any Liability relating to or arising out of a claim that the Station on or prior to the Closing Date does not have all Licenses necessary to operate the Station as it is currently being operated, or that Seller, Parent or the Station has violated any License or failed to pay any license, regulatory or other fees owing to the applicable Governmental Authority;

(r) any Liability related to or arising out of a claim that Seller or Parent has failed to make any required filings with, or pay any copyright fees owing to, the Copyright Office in respect of Seller's or Parent's operation of the Station on or prior to the Closing Date (whether such filing or payment obligation arises on, before or after the Closing); and

(s) any Liability relating to or arising out of a finding that Seller or Parent has not complied with the Communications Act, the Copyright Act, or any other Legal Requirements with respect to operation of the Station.

For the avoidance of doubt, the fact that any of the foregoing Excluded Liabilities are set forth or described on a Schedule to this Agreement does not change their status as Excluded Liabilities.

## **Section 2.5 Purchase Price.**

(a) In consideration of the sale, conveyance, transfer, assignment and delivery of the Assets by Seller and Parent to Buyer, Buyer shall, at the Closing, on the terms set forth in this Agreement, pay to Seller an amount equal to Nineteen Million Dollars (\$19,000,000) in cash (the "**Purchase Price**"), which represents a base purchase price of Twenty Million Dollars (\$20,000,000) minus a credit for upgrade action items in the amount of One Million Dollars (\$1,000,000), subject to adjustment as provided in this Agreement.

(b) At the Closing, the Purchase Price shall be adjusted as follows:

(i) if the Current Assets as of the Closing Date are in excess of the Assumed Purchase Price Liabilities as of the Closing Date, the Purchase Price shall be increased by an amount equal to the Net Current Assets; and

(ii) if the Assumed Purchase Price Liabilities as of the Closing Date are in excess of the Current Assets as of the Closing Date, the Purchase Price shall be decreased by an amount equal to the Net Liabilities.

(c) The amount of the net adjustment to the Purchase Price pursuant to Section 2.5(b) shall, for the purposes of the payment to be made by Buyer at the Closing, be estimated in good faith by Seller (after consultation with Buyer). At least five Business Days prior to the Closing Date, Seller shall deliver to Buyer a certificate executed by a duly authorized representative of Seller (the "**Seller's Adjustment Certificate**") setting forth such estimate as of

the Closing Date (including an estimate of the Current Assets, the Assumed Purchase Price Liabilities and the Net Current Assets or Net Liabilities, as applicable), and indicating in detail the basis for its estimate. Such certificate shall be accompanied by appropriate documentation supporting the estimates contained therein. Such certificate shall be subject to the reasonable satisfaction of Buyer. Subject to the foregoing, the good faith estimate of the net adjustment to the Purchase Price pursuant to Section 2.5(b) in the Seller's Adjustment Certificate shall be conclusive for the purposes of the payment to be made by Buyer at the Closing, but shall be subject to adjustment after the Closing in accordance with the provisions of Section 2.6.

(d) The Purchase Price, as adjusted pursuant to Section 2.5(b) in accordance with the Seller's Adjustment Certificate, is referred to herein as the "**Estimated Purchase Price.**" The Estimated Purchase Price shall be payable by Buyer at the Closing as follows: (i) One Million Dollars (\$1,000,000) of the Estimated Purchase Price shall be deposited into an escrow account with the Escrow Agent, to secure the ZGS Parties' indemnity obligations to Buyer under Section 10.2(a) (such amount, the "**Indemnity Escrow Amount**"); and (ii) the balance of the Estimated Purchase Price shall be paid to Seller in cash by wire transfer of immediately available funds to such account as Seller shall designate by written notice to Buyer not less than two Business Days prior to the Closing Date (or if not so designated, then by certified or official bank check payable in immediately available funds to the order of Seller in such amount).

(e) The release of the Indemnity Escrow Amount shall be determined in accordance with the terms of the Escrow Agreement, which shall provide that the Indemnity Escrow Amount, less the amount of any claims paid to or made by Buyer in accordance with the terms of the Escrow Agreement, shall be paid to Seller on the first anniversary of the Closing Date (or the first Business Day thereafter, if such date is not a Business Day). If Buyer discovers (through receipt of a tax certificate or otherwise) that any taxes were due and unpaid, Buyer may direct the payment thereof from the Indemnity Escrow Amount unless Seller gives Buyer evidence of such payment within ten days after written demand by Buyer.

## **Section 2.6 Post-Closing Adjustment.**

(a) Within 90 days after the Closing, Buyer shall deliver to Seller a certificate (the "**Buyer's Adjustment Certificate**") setting forth Buyer's final determination of the amount of the net adjustments to the Purchase Price (including the amounts of the Current Assets, the Assumed Purchase Price Liabilities, the Net Current Assets or Net Liabilities, as applicable, in each case as of the Closing Date), and indicating in detail the basis for its calculations. Such certificate shall be accompanied by appropriate documentation supporting the calculations contained therein. Each party shall provide the other reasonable access to all records in its possession which were used in the preparation of the Seller's Adjustment Certificate and Buyer's Adjustment Certificate or which may otherwise be necessary for the preparation thereof. Seller shall review the Buyer's Adjustment Certificate and give written notice (an "**Objection Notice**") to Buyer of any objections it has to the calculations shown in such Buyer's Adjustment Certificate within 30 days after Seller's receipt. In the Objection Notice, Seller may only dispute items contained in the Buyer's Adjustment Certificate to the extent such items differ from the Seller's Adjustment Certificate. Such notice shall set forth

Seller's proposal as to each item to which it objects together with appropriate support for such objections. If Seller does not deliver an Objection Notice within such 30-day period, then the Buyer's Adjustment Certificate shall be deemed to be conclusive, final and binding on the parties. Buyer and Seller shall endeavor in good faith to resolve any objections within 30 days after the receipt by Buyer of Seller's timely Objection Notice. If such objections or disputes have not been resolved at the end of such 30-day period, the disputed portion only of the items contained in the Buyer's Adjustment Certificate shall be determined within the following 30 days by PricewaterhouseCoopers LLP (the "**Arbitrator**"), which shall be the exclusive means for resolution of such dispute. The determination of the Arbitrator shall, with respect to each item in dispute, be within the range for such item as proposed by Buyer in the Buyer's Adjustment Certificate and Seller in the Objection Notice. The determination of the Arbitrator shall be final and binding upon the parties. Buyer and Seller shall bear equally the expenses of the Arbitrator incurred in connection with such determination.

(b) The Purchase Price, as adjusted pursuant to Section 2.5(b) in accordance with the Buyer's Adjustment Certificate (after the date on which the items contained therein have been finally determined in accordance with Section 2.6(a)), is referred to herein as the "**Final Purchase Price.**" Within two Business Days after the date on which the items contained in the Buyer's Adjustment Certificate have been finally determined in accordance with Section 2.6(a), the appropriate party shall pay to the other party in cash the amount by which the Final Purchase Price is in excess of (in which case, Buyer shall pay to Seller), or less than (in which case, Seller shall pay to Buyer), as the case may be, the Estimated Purchase Price. Any such payment shall bear interest at the Prime Rate from the Closing Date to the date of payment and shall be paid by wire transfer of immediately available funds to the account designated by the recipient (or if not so designated, then by certified or official bank check in immediately available funds to the order of the recipient).

**Section 2.7 Closing.** On the terms and subject to the conditions set forth herein, the closing of the purchase and sale of the Assets and the assumption of the Assumed Liabilities hereunder (the "**Closing**") shall take place at the offices of Buyer in Philadelphia, Pennsylvania, on the fifth Business Day after all conditions to Closing set forth in Article 9 have been satisfied or waived in writing, or on such date as Buyer and Seller may otherwise mutually agree. The Closing shall be effective at 11:59 p.m. on the date of the Closing. At the Closing:

(a) Buyer shall deposit with the Escrow Agent the Indemnity Escrow Amount pursuant to the Escrow Agreement, and shall deliver to Seller the balance of the Estimated Purchase Price, in accordance with the relevant provisions of Section 2.5(d)(i) and (ii);

(b) Seller and Parent shall enter into an Assignment and Assumption Agreement with Mid-Atlantic substantially in the form attached hereto as Exhibit E, and Seller shall execute and deliver to Buyer such warranty deeds, bills of sale (including a Bill of Sale substantially in the form attached hereto as Exhibit F), endorsements, assignments (including an Assignment of FCC Licenses in the form attached hereto as Exhibit G and an Assignment of Existing Tower Land Lease in the form attached hereto as Exhibit H), and other good and sufficient instruments of conveyance and assignment as Buyer shall deem reasonably necessary

or appropriate to vest in Buyer all right, title and interest in, to and under the Assets free and clear of all Liens, subject only to Permitted Liens and Assumed Liabilities;

(c) Seller shall execute and deliver to Buyer, and Buyer shall cause Telemundo Network Group, LLC to execute and deliver to Seller, a Termination of Affiliation Agreement in the form attached hereto as Exhibit I; and

(d) Buyer, Parent and Seller shall execute and deliver all such further documents, instruments and agreements as may be reasonably requested by Buyer or Seller or their respective counsel, in order to more effectively provide for Mid-Atlantic's assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, or to effectuate and carry out any provision of this Agreement.

**Section 2.8 Allocation of Final Purchase Price.** Within ninety (90) days after the Closing Date, Buyer shall deliver to Seller a certificate setting forth Buyer's allocation (the "**Proposed Allocation**"), allocating the Purchase Price (plus Assumed Liabilities, to the extent properly taken into account under Section 1060 of the Code) among the Assets in accordance with Section 1060 of the Code. Seller shall have the right to review and comment on the Proposed Allocation, and Buyer shall consider in good faith such changes to the Proposed Allocation as are requested by Seller, provided that Buyer shall have no obligation to accept any such proposed changes. If Buyer and Seller agree to an allocation, Buyer and Seller agree (unless otherwise required by a change in applicable income Tax law or as a result of a good faith resolution of a contest) to (i) be bound by the allocation for all Tax purposes and (ii) act in accordance with the allocation in the preparation, filing and audit of any Tax return (including filing Form 8594 with its federal income Tax Return for the taxable year that includes the date of the Closing). If Seller and Buyer do not agree to an allocation within one hundred fifty (150) days after the Closing Date, Seller and Buyer (i) may prepare their own allocation, (ii) may use such allocation in connection with the preparation and filing of any applicable Tax Returns, and (iii) shall have no liability to any other party hereto for any additional Taxes that may be imposed by any Governmental Authority as a result of inconsistencies between their respective allocations. If the parties agree to an allocation, not later than 30 days prior to the filing of their respective Forms 8594 relating to the transactions contemplated by this Agreement, each party shall deliver to the other party a copy of its Form 8594.

**Section 2.9 Assumed Parent Contracts.** Upon the terms and subject to the terms and conditions of this Agreement, at the Closing, Mid-Atlantic shall purchase and accept the conveyance, transfer, assignment and delivery from Parent, and Parent shall sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Mid-Atlantic, free and clear of all Liens other than Permitted Liens, all of the right, title and interest of Parent in, to and under all Contracts listed on Schedule 2.9 (the "**Assumed Parent Contracts**").

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES OF THE ZGS PARTIES**

Seller, and ZGS Parent with respect to the statements that expressly refer to it, represent and warrant to Buyer as of the date hereof and as of the Closing Date that:

**Section 3.1 Existence and Power.** Schedule 3.1 sets forth Seller's and Parent's jurisdiction of organization and each state or other jurisdiction in which Seller is qualified to do business. Seller and Parent are corporations, duly organized, validly existing and in good standing under the laws of the State of Delaware, and each has all corporate power required to carry on its business as it is now conducted. Seller has all requisite corporate power and authority to own, lease and use the Assets and to conduct the Station's business as currently conducted. Seller is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where such qualification is necessary, subject to such exceptions as would not, individually or in the aggregate, have a Material Adverse Effect. Parent owns, beneficially and of record, 100% of the outstanding capital stock and other equity interests of Seller.

**Section 3.2 Authorization.** The execution, delivery and performance of this Agreement by Seller and Parent and the consummation of the transactions contemplated hereby are within the power of Seller and Parent and have been duly authorized by all necessary action on the part of Seller and Parent. This Agreement has been duly and validly executed and delivered by each of the ZGS Parties, and this Agreement and the other agreements to be executed and delivered by each of the ZGS Parties at the Closing constitute or, when executed and delivered, will constitute valid and binding obligations of each of the ZGS Parties, enforceable against each of the ZGS Parties in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally.

**Section 3.3 Non-Contravention.** The execution, delivery and performance of this Agreement by the ZGS Parties and the consummation of the transactions contemplated hereby do not and will not (with or without notice or lapse of time) (a) violate or conflict with the certificate of incorporation or bylaws or other organizational or constituent documents of Seller and Parent, (b) assuming the receipt of all Required Consents, violate or conflict with any Legal Requirement applicable to any of the ZGS Parties, (c) assuming the receipt of all Required Consents, violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation of any of the ZGS Parties, or to a loss of any benefit relating to the Station or the Assets to which any ZGS Party is entitled under any provision of any agreement, contract or other instrument (including any License or other Material Contract) binding upon any of the ZGS Parties or by which any of the Assets is or may be bound, or (d) result in the creation or imposition of any Lien on any of the Assets other than Permitted Liens .

**Section 3.4 Financial Statements.** Schedule 3.4 consists of (a) the unaudited financial statements of Seller for the fiscal years ended December 31, 2011, December 31, 2010 and December 31, 2009 consisting of operating statements and balance sheets for the years then ended (the "Annual Statements"); (b) unaudited operating statement for the nine-month period

ended September 30, 2012 (the “**Interim Statements**”) and (c) the unaudited balance sheet of Seller as of September 30, 2012 (the “**Interim Balance Sheet**”) and the related operating statement of the Station for the nine-month period ending September 30, 2012. The financial statements attached as Schedule 3.4 (collectively, the “**Financial Statements**”) are true and complete in all material respects and fairly present, in accordance with GAAP, the results of operations of the Station as of the dates thereof, (subject to normal year-end adjustments and footnotes on the related documents, none of which will be material, in the case of the interim financial statements referred to in clause (b) and (c)). The Financial Statements relate solely to the periods stated therein, and no representation is given under this Section 3.4 as to the Station’s income or expenses for any future period.

**Section 3.5** **Absence of Certain Changes.** Except as set forth on Schedule 3.5, since September 30, 2012, the Station has been operated in the ordinary course of business consistent with past practice, and there has not been:

(a) any event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, has, had or could reasonably be expected to have a Material Adverse Effect;

(b) any incurrence, assumption or guarantee by Seller of any indebtedness for borrowed money with respect to the Station or the Assets;

(c) any creation or other incurrence of any Lien on any Asset, other than Permitted Liens;

(d) any material damage, destruction or other casualty loss (whether or not covered by insurance) affecting the Station or any Asset;

(e) the modification, amendment, cancellation, termination (receipt of notice of termination), forfeiture or failure to renew (other than in the ordinary course of business consistent with past practice) of any of the Material Contracts;

(f) any sale, assignment, lease or other transfer or disposition of any of the Assets, other than in the ordinary course of business consistent with past practice;

(g) any transaction or commitment made by Seller relating to the Station or any other Asset (including the acquisition of any assets) or any relinquishment by Seller of any Material Contract or other right, in either case, other than transactions and commitments in the ordinary course of business consistent with past practice and those contemplated by this Agreement; or

(h) any change in any method of accounting or accounting practice by Seller with respect to the Station, except for any such change after the date hereof required by reason of a concurrent change in GAAP or any change in any of the assumptions underlying, or methods of calculating any bad debt, contingency or other reserve.

### Section 3.6 Properties.

(a) Schedule 3.6(a) describes (including address and use) all of the Real Property that Seller owns, leases, subleases or otherwise uses in connection with the Station or the Assets, any title insurance policies and surveys with respect thereto, and any Liens (other than Permitted Liens) thereon, specifying, in the case of leases or subleases, the name of the lessor or sublessor, the commencement date, the lease term, the amount of basic annual rent and the terms of any revenue- or profit-sharing rights or obligations.

(b) Schedule 3.6(b) describes all of the Personal Property that Seller owns, leases, subleases or otherwise uses in connection with the Station or the Assets, and any Liens thereon (other than Permitted Liens), specifying, in the case of leases or subleases, the name of the lessor or sublessor, the commencement date, the lease term and the amount of basic annual rent the terms of any revenue- or profit-sharing rights or obligations.

(c) (i) Seller has good title to all of its owned Assets, and has valid leasehold interests in all of the leased Real Property and Personal Property, in each case subject only to Permitted Liens and to those Liens described on Schedule 3.6(a) or Schedule 3.6(b).

(ii) The Real Property includes all real property as is used or held for use in connection with the conduct of the business and operations of the Station.

(iii) Except as set forth on Schedule 3.6(c)(iii), the buildings, structures, towers and equipment included in the Assets have no material defects, are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the television broadcasting industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), are adequate and suitable for their present uses and, in the case of buildings, towers and other structures (including the roofs thereof), are structurally sound. Notwithstanding the foregoing, no representation or warranty is made pursuant to this Section 3.6(c)(iii) with respect to the Specified Matters (as defined below). As used in this Section 3.6(c)(iii) the “**Specified Matters**” means (i) as of the date hereof, the condition of the Existing Tower and (ii) as of the date hereof and as of the Closing Date, the matters specifically addressed in Section 3.23.

(iv) The towers, buildings and structures included in the Assets currently have access to (A) public roads or valid perpetual easements over private streets or private property for such ingress to and egress from all such buildings and structures and (B) water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection, drainage and other public utilities, in each case as is reasonably necessary and appropriate for the conduct of the Station’s business as currently conducted.

(v) None of the material towers or other structures on the Real Property encroaches upon real property of another Person, and no structure of any other Person encroaches upon any Real Property.

(vi) All Real Property is available for immediate use in the conduct of the Station.

(vii) Except as set forth on Schedule 3.6(c)(vii), the Real Property and its continued use, occupancy and operation as currently used, occupied and operated, does not in any material respect constitute a nonconforming use under any applicable building, zoning, subdivision and other land use and similar Legal Requirements.

(viii) No condemnation of any of the Real Property has occurred, is pending or, to the Knowledge of the ZGS Parties, is threatened.

(d) Except as set forth on Schedule 3.6(a) or Schedule 3.6(b), no Asset is subject to any Lien except Permitted Liens.

**Section 3.7 Sufficiency of and Title to the Assets.**

(a) Except for the Excluded Assets, the Assets constitute all of the assets or property owned, used or held for use in the operation of the Station.

(b) Upon consummation of the transactions contemplated hereby, Buyer will have acquired good and marketable title in and to each of the owned Assets and valid leasehold interests in the leased Real Property and Personal Property, in each case free and clear of all Liens except for Permitted Liens.

(c) The Assets include all assets necessary to permit the owner of the Station to operate the Station as a fully operational full power television station with all material assets, properties, Licenses, operating rights, leases, easements, rights-of-way, agreements, commitments and arrangements necessary to conduct all operations that are currently being conducted, other than the Traffic System.

**Section 3.8 No Undisclosed Liabilities.** There are no, and on the Closing Date there will not be any, Liabilities of the Station or Seller or Parent (except, as to Seller or Parent, such Liabilities that do not relate to or affect the Assets or the Station), and there is no existing condition, situation or set of circumstances, which could reasonably be expected to result in such a Liability, including under any Contract, License, commitment or obligation not disclosed on any Schedule attached to this Agreement, other than: (a) Liabilities set forth in the Interim Balance Sheet; (b) Liabilities set forth on Schedule 3.8; or (c) other liabilities, within the meaning of GAAP, that (i) are incurred in the ordinary course of business since the date of the Interim Balance Sheet and (ii) are not, individually and in the aggregate, material to the Station, the Assets or Seller.

**Section 3.9 Material Contracts.**

(a) Schedule 3.9(a) sets forth a true and complete list of (and, in the case of any oral Contracts, a description of the material terms of) each Contract to which Seller or Parent is a party or by which Seller or Parent is otherwise bound or affected, that relates in whole or in part to any of the Assets or the Station and that falls within any of the following

categories: (i) leases of Real Property (both as lessor and lessee) or Personal Property (both as lessor and lessee), including all capital leases (with a clear indication on such schedule which leases are capital leases for Personal Property); (ii) Contracts with MVPDs; (iii) FCC Authorizations; (iv) other material Licenses issued by any other Governmental Authority (including any Environmental Permits); (v) network affiliation agreements; (vi) film or program license Contracts or similar Contracts or Contracts to broadcast television programs as part of the Stations' programming; (vii) Contracts that relate to the nonbroadcast use of the Station's licensed spectrum or that lease or otherwise grant use of the Station's licensed spectrum by a third party; (viii) Contracts with the FCC or any other Governmental Authority relating to the operation or construction of the Station, or with community groups or similar third parties restricting or limiting the types of programming that may be shown on the Station; (ix) partnership, joint venture or other similar Contracts, including any involving a sharing of revenues or profits; (x) Contracts that limit the freedom of the Station to compete in any line of business or with any Person or in any area or to own, operate, sell, transfer, pledge or otherwise dispose of or encumber any Asset or which would so limit the freedom of Buyer after the Closing Date; (xi) management fee Contracts; (xii) website agreements; (xiii) advertising interconnect agreements; (xiv) Contracts with any employees of the Station (other than oral, at-will employment relationships); (xv) Station Options; (xvi) local marketing or time brokerage Contracts, joint sales Contracts, shared services Contracts, management Contracts, local news sharing Contracts or similar Contracts; (xvii) Contracts evidencing the incurrence, assumption or guarantee of any indebtedness for borrowed money; (xviii) Contracts relating to the Existing Tower or Richland Waterford Works Tower; and (xxii) Contracts other than those described in any other clause of this Section 3.9(a) that: (A) involve payment in excess of \$50,000; (B) do not terminate by their terms or are not cancelable by Seller without penalty on no more than 60 days' prior notice; or (C) are otherwise material to the operation of the Station.

(b) Seller has provided to Buyer true and complete copies of each of the Licenses and other Material Contracts, together with any notices alleging non-compliance with the requirements thereof. Except as described on Schedule 3.9(b): (i) Seller is in compliance with each of the Material Contracts; (ii) Seller has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of the Material Contracts; (iii) there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by Seller or, to the Knowledge of the ZGS Parties, any other Person under any of the Material Contracts; and (iv) the Material Contracts are valid and binding agreements and are in full force and effect and have not been revoked, canceled, encumbered or adversely affected in any manner. Seller has not received notice from any party regarding termination or amendment of any Material Contract or refusal to renew or extend the same upon expiration of its term.

**Section 3.10 Required Consents.** Schedule 3.10 sets forth a true and complete list of each consent or other action by or in respect of, or filing with, any Governmental Authority or any other Person (including pursuant to any Material Contract) required as a result of the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (the "**Required Consents**").

**Section 3.11 FCC Authorizations; Governmental Approvals.**

(a) Schedule 2.1(a) contains an accurate and complete list and summary description of all television broadcast licenses, construction permits, broadcast auxiliary licenses, microwave licenses, business radio licenses, satellite earth station licenses/registrations, special temporary authorizations and other Licenses or authorizations issued to Seller by the FCC for the operation of the Station or the conduct of its business, including any other Governmental Approvals issued to Seller by the FCC authorizing any activity ancillary or incidental to the ownership or operation of the Station and all antenna structure registrations in the name of Seller required by the FCC (collectively, the “**FCC Authorizations**”). Seller is the authorized legal holder of the FCC Authorizations. Except as set forth on Schedule 3.11(a), each such FCC Authorization is valid and in full force and effect, and there is not pending or, to the Knowledge of Seller, threatened any Proceeding which could result in the nonrenewal, suspension, termination, revocation, cancellation, adverse modification, limitation or impairment of any such FCC Authorization.

(b) Neither the ZGS Parties, nor any of their respective officers, directors, employees, shareholders, partners, members or agents, have taken any actions that could result in, or have failed to take any actions the absence of which could result in, the nonrenewal, suspension, termination, revocation, cancellation, adverse modification, limitation or impairment of any FCC Authorizations.

(c) No ZGS Party has received from the FCC any notice of violation in respect of any FCC Authorization, and no ZGS Party has Knowledge of any basis therefor. No fines or penalties are due and payable by any ZGS Party in respect of any violation of any term or condition of any FCC Authorization or any provision of the Communications Act.

(d) Seller has made available to Buyer accurate and complete copies of all of the FCC Authorizations including all renewals thereof and all amendments thereto. Subject only to the receipt of the FCC Consent, all FCC Authorizations are freely assignable to LicenseCo.

(e) Schedule 3.11(e) sets forth all Governmental Approvals (other than the FCC Authorizations) necessary to permit Seller to operate the Station as the Station is now being operated. Seller has made all filings with, and given all notifications to, all Government Authorities (other than the FCC) as required by all applicable Legal Requirements.

**Section 3.12 Proceedings** Except as set forth on Schedule 3.12: (a) there is no Proceeding pending or, to Seller’s Knowledge, threatened, by any Person or by or before any Governmental Authority or private arbitration tribunal, against or affecting any Seller or any of its Affiliates (to the extent such Proceeding against or affecting any Affiliate relates to or affects the Station or the Assets or the ability of the Seller to consummate the transactions contemplated hereby), the Station or the Assets; and (b) there is no Judgment requiring either ZGS Party to take any action of any kind with respect to the Assets or the operation of the Station, or to which either ZGS Party, the Station or the Assets are subject or by which they are bound or affected, in either case, which (i) adversely affects or is reasonably likely to adversely affect the financial condition or operations of the Station, the Assets or the ability of the ZGS Parties to perform their respective obligations under this Agreement, (ii) seeks or could result in the modification, revocation, termination, suspension of or other limitation of any of the Material Contracts, or

(iii) challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby or the ability of the ZGS Parties to consummate the same.

### **Section 3.13 Compliance with Legal Requirements.**

(a) Except as set forth on Schedule 3.13(a), each ZGS Party is and has been in compliance in all material respects with each Legal Requirement (including the Communications Act) that is applicable to Seller or any of Seller's properties, assets (including the Assets), operations or businesses. Except as set forth on Schedule 3.13(a), no event has occurred, and no condition or circumstance exists, that would (with or without notice or lapse of time) constitute, or result directly or indirectly in, a material default under, a breach or violation of, or a failure to comply with, any Legal Requirement. Except as set forth on Schedule 3.13(a) and for matters that have been remedied or cured, Seller has not received any notice from any third party regarding any actual, alleged or potential violation of any material Legal Requirement.

(b) The Station, its physical facilities, electrical and mechanical systems, and transmitting and studio equipment are operated in all material respects in accordance with the terms and conditions of the FCC Authorizations and the provisions of the Communications Act and the rules and published policies of the FCC ("**FCC Rules**"). The antenna structures owned or used by Seller are in compliance in all respects with the provisions of the Communications Act and the requirements of the FAA. The location and staffing of the Station's main studio comply in all respects with the provisions of the Communications Act. All material reports and other material filings required by the FCC with respect to the FCC Authorizations and the Station, including documents required to be placed in the Station's local public inspection files or other records, have been timely filed. All FCC regulatory fees assessed with respect to the FCC Authorizations have been timely paid. Seller is in compliance with the equal employment opportunity ("**EEO**") rules of the FCC and has received no written notices with respect to non-compliance with such EEO rules.

(c) To the Knowledge of Seller, other than proceedings generally affecting the television broadcast industry, no Governmental Authority has proposed any Legal Requirement that could reasonably be expected to affect Seller, Seller's properties, assets (including the Assets), operations or businesses, or Seller's rights thereto. There is no FCC order, judgment, decree, notice of apparent liability or order of forfeiture outstanding, and no action, suit, notice of apparent liability, order of forfeiture, investigation or other Proceeding pending or, to Seller's Knowledge, threatened, by or before the FCC against Seller or affecting the FCC Authorizations, except FCC rulemaking proceedings generally affecting the television broadcast industry. Seller has no Knowledge of any fact that is reasonably likely to cause the FCC to fail to renew the FCC Authorizations for full terms and without adverse conditions.

**Section 3.14 Related Parties.** No Related Party is party to any Assumed Contract. Except as set forth on Schedule 3.14, (a) no Related Party has any interest in any of the Assets or the Station, (b) with respect to the Station, Seller is not a party to any Contract with any Related Party, and (c) neither Seller nor any Related Party has any stock or other ownership interest in any other Person that is a supplier to the Station or that operates any television station serving the Philadelphia DMA. For purposes of this Section 3.14, ownership of not more than 5% of the

common or preferred stock of any publicly held company whose stock is listed on any recognized stock exchange or traded over-the-counter shall not be deemed an ownership interest.

**Section 3.15 Insurance and Bonds.** Schedule 3.15 sets forth a true and complete list of all insurance policies related to the Station, the Assets, or the business and operation of the Station. All premiums payable under all such policies have been timely paid and Seller has otherwise complied in all material respects with the terms and conditions of all such policies. Such policies and bonds are in full force and effect and are of the type and in amounts customarily carried by Persons conducting business similar to the operation of the Station. Seller has no Knowledge of any threatened termination of or material alteration of coverage under, any of such policies.

**Section 3.16 Environmental Compliance.**

(a) Except as set forth on Schedule 3.16, Seller is and has always been in compliance in all material respects with all Environmental Laws and the Station is and has always been operated in all material respects in compliance with all Environmental Laws. Except as set forth on Schedule 3.16:

(i) in connection with or relating to the Assets or the Station, no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no Proceeding (including any investigation, action, claim, suit, proceeding or review) is pending or, to the Knowledge of Seller, threatened by any Governmental Authority or other Person with respect to any (A) alleged violation of any Environmental Law, (B) alleged failure to have any Environmental Permit, (C) Regulated Activity, or (D) Release of Hazardous Substances;

(ii) there are no existing Environmental Liabilities, and, to the Knowledge of Seller, there are no facts, events, conditions, situations or set of circumstances which could reasonably be expected to result in or be the basis for any Environmental Liability;

(iii) to Seller's Knowledge, no Regulated Activity has occurred at, on or in connection with any Real Property or any other Asset;

(iv) to Seller's Knowledge, no polychlorinated biphenyls, radioactive material, urea formaldehyde, lead, asbestos or asbestos-containing material or underground storage tank (active or abandoned) is or has been present at any Real Property or in any other Asset

(v) to Seller's Knowledge, no Hazardous Substance has been Released (and no oral or written notification of such Release has been made or filed) or is present (whether or not in a reportable or threshold planning quantity) at, on or under any Real Property, except any such substances as are stored in small quantities as are customarily in use at broadcast transmission facilities or in broadcast transmission equipment;

(vi) no Real Property nor any property to which Hazardous Substances located on or resulting from the use of any Asset have been transported is listed or, to

the Knowledge of Seller, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, on CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup;

(vii) to Seller's Knowledge, there are no Liens under Environmental Laws on any of the Real Property or any other Asset and no government actions have been taken or are in process which could subject any of such Real Property or any other such Asset to any such Liens;

(viii) to Seller's Knowledge, no notices or restrictions relating to Hazardous Substances have been or are required to be placed in any deed to any Real Property; and

(ix) there are no Environmental Permits that are nontransferable or require consent, notification or other action to remain in full force and effect following the consummation of the transactions contemplated hereby.

(b) Seller has delivered to Buyer true and complete copies of any written environmental studies, audits, tests, reviews or other environmental analyses conducted with respect to any Real Property or any other Asset.

**Section 3.17 Cable and Satellite Matters.**

(a) Schedule 3.17 sets forth:

(i) a list of all multichannel video programming distributors, including cable systems, SMATV, open video systems and DBS systems (hereinafter "MVPDs") that carry the Station's signal, and the channel on which the Station's signal is carried;

(ii) a list of all MVPDs in the Philadelphia DMA to which Seller has provided a must-carry or retransmission consent election in accordance with the provisions of the Communications Act and the FCC Rules for the three-year period ending December 31, 2014, including a detailed description of the disposition and current status of each such must-carry or retransmission consent election; and

(iii) a list of all currently effective retransmission consents and/or copyright indemnification Contracts entered into with any MVPD in the Philadelphia DMA with respect to the Station and the expiration date for each such Contract.

(b) No MVPD with more than 5,000 Hispanic Subscribers has declined or refused to carry the Station or disputed the Station's right to carriage pursuant to the Station's must-carry or retransmission-consent election, as the case may be.

**Section 3.18 Digital Channels.** Seller has not leased, licensed, assigned, conveyed or otherwise encumbered the Station's digital spectrum or any portion thereof or granted rights to any party other than Buyer to broadcast on the Station's digital spectrum or any portion thereof.

**Section 3.19 Receivables.** All accounts receivable, notes receivable and other receivables included in the Assets (i) were created in the ordinary course of business consistent with past practice, (ii) are and, on the Closing Date, will be, valid and genuine and collectible in the aggregate amount of such accounts receivable included in Current Assets, subject the allowance for doubtful accounts included in the calculation of Current Assets and (iii) were calculated in accordance with GAAP. Schedule 3.19 sets forth a true and complete aging schedule of the accounts receivable of the Station, which was calculated in accordance with past practice.

**Section 3.20 Intellectual Property.** Except as set forth on Schedule 3.20, Seller neither uses nor holds any Intellectual Property rights in the operation of the Station. Seller has not in its operation of the Station interfered with, infringed upon, misappropriated or otherwise come into conflict with, and the operation of the Station as currently conducted does not violate or infringe upon, any Intellectual Property rights of third parties, and Seller has not received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation. To Seller's Knowledge, no third party has interfered with, infringed upon, appropriated or otherwise come into conflict with any Intellectual Property rights of Seller with respect to the Station.

**Section 3.21 Finders' Fees.** There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of any ZGS Party or any of their respective Affiliates who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

**Section 3.22 Employees.** Schedule 3.22 sets forth a true and complete list of the names, titles, wage rates or annual salaries, the number of accrued but unused paid time off days as of the date hereof, and other compensation of all persons employed in the operation of the Station.

**Section 3.23 Remedial Actions.**

(a) Seller represents and warrants to Buyer as of the Closing Date that the statements set forth in Schedule 3.23(a) are true and correct in all respects.

(b) Seller represents and warrants to Buyer as of the Closing Date that the statements set forth in Schedule 3.23(b) are true and correct in all respects.

(c) Seller represents and warrants to Buyer as of the Closing Date that the statements set forth in Schedule 3.23(c) are true and correct in all respects.

(d) As of January 1, 2009, the Existing Tower had fiber connectivity sufficient to allow studio signals provided to MVPDs to be broadcast over-the-air from the Existing Tower.

**Section 3.24 Full Disclosure.** The statements made by the ZGS Parties in this Agreement do not include or contain any untrue statement of a material fact, and do not omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

#### **ARTICLE 4**

#### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Mid-Atlantic represents and warrants to the ZGS Parties as of the date hereof and as of the Closing Date that:

**Section 4.1 Existence and Power.** Each of Mid-Atlantic and LicenseCo is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all necessary power required to carry on its business as it is now conducted.

**Section 4.2 Authorization.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby are within the necessary power of Buyer and have been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer, and this Agreement and the other agreements to be executed and delivered by Buyer at Closing constitute or, when executed and delivered, will constitute valid and binding obligations of Buyer, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally.

**Section 4.3 Non-Contravention.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby do not and will not (a) violate the certificate of formation, operating agreement or other organizational or constituent documents of Buyer, (b) assuming compliance with the matters referred to in Section 4.4, violate or conflict with any Legal Requirement applicable to Buyer, or (c) assuming compliance with the matters referred to Section 4.4, violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation of Buyer under any provision of any agreement, contract or other instrument binding upon Buyer.

**Section 4.4 Required Consents.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby require no consent or other action by or in respect of, or filing with, any Governmental Authority or other Person by Buyer, other than the filing of the FCC Application and the grant of the FCC Consent.

**Section 4.5 Proceedings.** There is no Proceeding pending or, to the Knowledge of Buyer, threatened, by any Person or by or before any Governmental Authority or private arbitration tribunal, against or affecting Buyer, which challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby or the ability of Buyer to consummate the same.

**Section 4.6 Buyer's Qualification.** LicenseCo is and, pending the Closing, will remain legally and otherwise qualified under the Communications Act and the FCC Rules to acquire and operate the Station.

**Section 4.7 Finders' Fees.** There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Buyer or any of its Affiliates who might be entitled to any fee or commission from any ZGS Party in connection with the transactions contemplated by this Agreement.

## **ARTICLE 5 COVENANTS OF SELLER**

**Section 5.1 Conduct of the Business.** From the date hereof until the Closing Date, Seller shall operate the Station solely in the ordinary course of business consistent with past practice and use its commercially reasonable efforts to preserve intact its business organizations and relationships with third parties and to retain the services of the employees presently employed in the operation of the Station.

**Section 5.2 Affirmative Covenants.** Without limiting the generality of Section 5.1, from the date hereof until the Closing Date, with respect to the Station, Seller (and Parent to the extent applicable to Parent) shall:

- (a) maintain its legal existence;
- (b) deliver to Buyer, promptly after such statements become available to Seller, true and complete copies of unaudited monthly operating statements, along with comparisons thereof to the most recent budget in effect prior to the date hereof, for the Station for each month from the date hereof until the Closing Date;
- (c) comply in all material respects with all applicable Legal Requirements (including FCC Legal Requirements) and comply with, and use its best efforts to maintain in full force and effect, all Licenses and other Material Contracts, including filing all material reports and timely paying all FCC regulatory or filing fees pertaining to the Station required to be filed with or paid to the FCC or to operate the Station in compliance in all material respects with the provisions of the Communications Act and the terms and conditions of the FCC Authorizations;
- (d) pay all debts, Liabilities and Taxes of or relating to the Station as they become due, except for such debts or obligations which are contested by Seller in good faith and for which Seller maintains appropriate reserves on its books;
- (e) take all appropriate, reasonable action in the ordinary course of business and in accordance with the Communications Act and the FCC Rules to protect the service areas of the Station from harmful or objectionable interference from other stations;
- (f) maintain the FCC Authorizations in full force and effect and unimpaired by any materially adverse conditions and amendments, other than any conditions that

are set forth on the face of such FCC Authorizations or are generally applicable to authorizations such as the FCC Authorizations;

(g) maintain its facilities and assets in good working condition, reasonable wear and tear excepted, and maintain commercially reasonable inventory levels consistent with that which would be expected for television stations of similar size;

(h) continue to maintain all of the business records of the Station in accordance with its past practice;

(i) maintain in full force and effect all of the insurance policies listed on Schedule 3.15 and make no change in any such insurance coverage with respect to the Station without the prior written consent of Buyer;

(j) give, or cause to be given, to Buyer (i) a copy of all copyright statements of account to be filed by Seller or in connection with the Station at least ten days prior to filing such copyright statements of accounts (and consult with Buyer in relation thereto) and (ii) a copy of all notifications received with respect to viewer complaints;

(k) use commercially reasonable efforts to maintain in effect the Assumed Contracts set forth on Schedule 5.3(d); and

(l) comply with the terms of the Affiliation Agreement.

**Section 5.3 Negative Covenants.** Without limiting the generality of Section 5.1, from the date hereof until the Closing Date, with respect to the Station, Seller shall not:

(a) enter into any transaction or take any action that would result in any of the representations and warranties in this Agreement or in any of the documents required to be delivered by this Agreement not being true and correct in all material respects when made or at the Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date);

(b) amend its certificate or articles of incorporation, bylaws, or other organizational or constituent documents or merge or consolidate with any other Person;

(c) issue, sell, deliver or agree to issue, sell or deliver (whether through the issuance or granting of options, commitments, subscriptions, rights to purchase or otherwise) any equity interests of Seller;

(d) modify, amend, cancel, terminate, or fail to renew any Material Contract, Assumed Contract (other than those Assumed Contracts set forth on Schedule 5.3(d)) or Governmental Approval;

(e) enter into any Contract (other than advertising orders accepted by Seller in its ordinary course of business) or commitment of any kind relating to the Station which would be binding on Seller or Buyer after the Closing and which (i) could involve aggregate expenditure or receipt in excess of \$50,000; (ii) would have a term in excess of one year unless

terminable without payment or penalty upon 30 days' (or fewer) notice; (iii) is not being entered into in the ordinary course of business consistent with past practice; (iv) is not on arm's-length terms; or (v) is with a Related Party;

(f) incur, assume, guarantee any indebtedness for borrowed money with respect to the Station or the Assets (including borrowings under capital leases) or mortgage, pledge or subject to any Lien (other than Permitted Liens) any of the Assets;

(g) acquire, sell, lease or dispose of any assets material to the Station, or purchase, lease or otherwise acquire any real property except pursuant to leases set forth on Schedule 3.6(a);

(h) breach or violate in any material respect any Legal Requirement, Material Contract or Governmental Approval;

(i) fail to file any material report or pay any material FCC regulatory or filing fee pertaining to the Station required to be filed with or paid to the FCC or operate the Station in compliance in all material respects with the provisions of the Communications Act and the terms and conditions of the FCC Authorizations;

(j) cause the FCC to institute any Proceedings for the cancellation, revocation, non-renewal or adverse modification of the FCC Authorizations or take or permit to be taken any other action within its control that results in material non-compliance with requirements of the Communications Act;

(k) commence a Proceeding other than (i) for the routine collection of Receivables; (ii) any Proceeding relating to Seller's rights or remedies under this Agreement, including the enforcement thereof; (iii) any Proceeding relating to the FCC Authorizations or to the rules or policies of the FCC; or (iv) any other Proceeding reasonably required for the preservation or protection of the Assets, including to enforce a Material Contract;

(l) provide any credit, loan, advance, guaranty, endorsement, indemnity, warranty or mortgage to any Person, including any of the customers, officers, employees or directors of Seller;

(m) change its accounting methods or practices or standards used to maintain its books, accounts or business records other than in the ordinary course of business or as required by any Legal Requirement;

(n) change the terms of its accounts receivable or take any action directly or indirectly to cause or encourage any acceleration or delay in the payment, collection or generation of its accounts receivable;

(o) make any (i) changes in discretionary costs, such as advertising, maintenance and repairs and training; or (ii) deviations from operating budgets;

(p) make or change any election in respect of Taxes, adopt or change any accounting method in respect of Taxes, file any amendment to a Tax Return, settle any claim or assessment in respect of Taxes, or Consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, but, in each case, only to the extent such action would be binding on Buyer or the Station after the Closing;

(q) reveal, orally or in writing, to any Person, other than Buyer and its authorized agents, any of the previously undisclosed business procedures and practices followed by the Station in the conduct of its business or any proprietary technology used in the processing, evaluation or distribution of any of its products or services;

(r) hire any new employee, terminate any officer or key employee of Seller, increase the annual level of compensation of any existing employee, establish or adopt any Employee Benefit Plan, or grant any bonuses, benefits or other forms of direct or indirect compensation to any employee, director, officer or consultant other than in the ordinary course of business and consistent with the Seller's past practice;

(s) agree, in writing or otherwise, to take any of the actions described in this Section 5.3.

**Section 5.4 Access to Information.** From the date hereof until the Closing Date, Seller shall: (a) give Buyer and its affiliates and the respective counsel, financial advisors, auditors and other authorized representatives of Buyer or its Affiliates (“**Representatives**”) full access to the offices, properties, books and records of Seller relating to the Station and the Assets, including granting Buyer and its Representatives access for the purposes of, and cooperating with Buyer in, conducting its properties and Assets for the purposes of evaluating and testing such properties and Assets (including the Existing Tower and the Richland Waterford Works Tower) and for taking or causing to be taken any action pursuant to Section 6.7, (b) furnish to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Station and the Assets, as such Persons may reasonably request, and (c) instruct the employees, counsel and financial advisors of Seller to cooperate with Buyer in its investigation of the Station and the Assets. The right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. Any investigation pursuant to this Section shall be conducted during normal business hours upon reasonable notice and in such a manner as not to interfere unreasonably with the conduct of the Station.

**Section 5.5 Notices of Certain Events.** Seller shall promptly notify Buyer of:

(a) any action taken by Seller not in the ordinary course of business and any circumstance or event that could reasonably be expected to have a Material Adverse Effect;

(b) any fact, circumstance, event, or action by Seller or Parent which, if known on the date of this Agreement, would have resulted in any of the representations and warranties of the ZGS Parties contained in this Agreement or in any Agreement or any document executed in connection with the transactions contemplated by this Agreement not being true and correct when made;

(c) any breach of any covenant or obligation of Seller hereunder;

(d) any circumstance or event which will result in, or could reasonably be expected to result in, the failure of Seller to timely satisfy any of the closing conditions specified in Article 9 of this Agreement;

(e) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(f) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or relating in any way to an alleged violation of any Legal Requirement applicable to the Station;

(g) any Proceeding, commenced or, to the Knowledge of a ZGS Party, threatened against, relating to or involving or otherwise affecting the Assets or the Station that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.12 or that relates to the consummation of the transactions contemplated by this Agreement;

(h) any Proceeding known to Seller and threatened against or affecting the business of operating the Station or the assets or properties of the Station, in any court, or before any arbitrator, or before or by any Governmental Authority (other than FCC rulemakings or other proceedings generally affecting the television broadcasting industry and not particular to Seller);

(i) any termination or any threatened termination of any Material Contract or other material right which is necessary for the ownership by Buyer of any of the Assets or the operation by Buyer following the Closing Date of any of the business of operating the Station;

(j) any Regulatory Petitions, Regulatory Orders and Regulatory Notices filed or received by any ZGS Party with respect to the Station; and

(k) any communications, written or oral, between any ZGS Party and the FCC with respect to the Station.

**Section 5.6** [Liens](#). The ZGS Parties shall cooperate with Buyer to obtain prior to the Closing searches (the “**Search Results**”), in all appropriate jurisdictions, for state and federal tax liens, judgment liens, Uniform Commercial Code financing statements and pending litigation against Seller and the Assets, provided that such searches shall be performed by a nationally

recognized company selected by Buyer and Seller shall be responsible for the cost thereof. On or prior to the Closing Date, Seller shall, and the other ZGS Parties shall cause Seller to, cause any Liens on any Asset (other than Permitted Liens), including the Liens identified in the Search Results, on Schedule 3.6(a) and on Schedule 3.6(b), to be removed, so that the Assets are free and clear of all Liens (other than Permitted Liens) at the Closing.

**Section 5.7 Required Consents; Estoppel Certificates.**

(a) From the date hereof until the Closing Date, Seller shall use its commercially reasonable efforts, at Seller's expense, to obtain in writing as promptly as possible the Required Consents (and deliver to Buyer copies of any such Required Consents as it obtains each), in each case free from any adverse conditions (in the reasonable judgment of Buyer) and otherwise in form and substance satisfactory to Buyer; *provided, however*, that (i) Seller shall afford Buyer the opportunity to review and approve the form of any Required Consent prior to delivery to the party whose consent is sought, and the ZGS Parties shall not accept or agree or accede to any modifications or amendments to, or any conditions to the transfer of, any of the Licenses, Contracts or Real Property of the Station that are not approved in advance in writing by Buyer, (ii) the ZGS Parties shall, upon reasonable prior notice, allow representatives of Buyer to attend meetings and hearings before applicable Governmental Authorities in connection with the transfer of any License (and shall provide copies of all correspondence to or from any Governmental Authority in connection therewith), and (iii) Buyer shall cooperate with Seller to obtain all Required Consents, but Buyer shall not be required to agree to any changes in, or the imposition of any adverse condition to the transfer to Buyer of, any Material Contract or as a condition to obtaining any Required Consent.

(b) The ZGS Parties shall use commercially reasonable efforts to obtain, at their expense, such estoppel certificates or similar documents from lessors and other Persons who are parties to Material Contracts as Buyer may reasonably request.

**Section 5.8 No Shop.** From and after the date hereof, none of the ZGS Parties, nor any of their respective Affiliates, directors, officers, employees, shareholders, partners, members, agents or representatives shall, directly or indirectly, encourage, solicit, initiate or participate in any way in discussions or negotiations with or provide any confidential information to, any Person or group (other than Buyer or any Affiliate of Buyer and their respective directors, officers, employees, representatives and agents) concerning any merger of or business combination with or involving Seller, the sale of any of the Assets other than as expressly permitted under this Agreement, or any similar transactions involving Seller. It is understood that any violation of the restrictions set forth in this Section by any Affiliate, director, officer, employee, shareholder, partner, member, agent or representative of any of the ZGS Parties or any of their respective Affiliates shall be deemed to be a breach of this Section by the ZGS Parties if such violation was authorized by a ZGS Party or if a ZGS Party had knowledge of such violation at or prior to its occurrence.

**Section 5.9 Risk of Loss; Condemnation.**

(a) Seller shall bear the risk of any loss or damage to the Assets at all times prior to the Closing. In the event that the Closing occurs, notwithstanding any such loss or

damage that has not been repaired prior to the Closing, the amount of all insurance proceeds payable as a result of the occurrence of the event resulting in such loss or damage that is equal to such unrepaired loss or damage shall be delivered by Seller to Buyer, or the rights to such proceeds shall be assigned by Seller to Buyer if not yet paid over to Seller.

(b) If, prior to the Closing, all or any part of or interest in the Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs Seller or Buyer that it intends to condemn all or any part of or interest in the Assets and such taking is so substantial as to prevent normal operation of any material portion of the Station (such event being called, in either case, a “**Taking**”), then Buyer may terminate this Agreement. If Buyer does not elect to terminate this Agreement, then (i) Buyer shall have the sole right, in the name of Seller, if Buyer so elects, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) Seller shall be relieved of its obligation to convey to Buyer the Assets or interests that are the subject of the Taking, (iii) at the Closing Seller shall assign to Buyer all of its rights to all damages payable with respect to such Taking and shall pay to Buyer all damages previously paid to Seller with respect to the Taking, and (iv) following the Closing, Seller shall give Buyer such further assurances of such rights and assignment with respect to the Taking as Buyer may from time to time reasonably request.

**Section 5.10 Broadcast Transmission Interruption.** Seller shall notify Buyer in writing within forty-eight (48) hours of an Interruption Event (as hereinafter defined). If an Interruption Event occurs, Buyer may, at its option and in its sole discretion, terminate this Agreement by written notice to Seller not later than ten (10) Business Days after receipt of Seller’s notice with respect to a particular Interruption Event. If Buyer elects not to terminate this Agreement or fails to give written notice within such ten (10) Business Day period with respect to a particular Interruption Event, Buyer shall have no further right to terminate this Agreement by reason of such Interruption Event, and the remaining provisions of this Agreement shall govern. An “**Interruption Event**” means (i) the Station shall be off the air for a period of forty-eight (48) consecutive hours (unless caused by an act of force majeure, in which case the period shall extend to one hundred twenty (120) consecutive hours); or (ii) there shall be a material reduction in the Station’s effective radiated power or other material impairment of the Station’s normal broadcast transmission and such condition shall continue for more than five (5) consecutive calendar days; or (iii) more than five (5) Interruption Events shall occur within any thirty (30) day period; provided, however, the operation of the Station at reduced power for any period during which the Station’s primary transmitter is being repaired or replaced as a result of any impairment shall not constitute or be deemed an Interruption Event giving Buyer the right to terminate this Agreement if the reduced power transmission (A) provides for delivery of a “good quality” signal (as that term is defined in Sections 76.55(c)(3) and 76.66(g), as applicable, of the FCC Rules) (or by current means, if not over the air) to the headend or local receive facility, as applicable, of all MVPDs that carry the Station’s signal and which are identified on Schedule 5.10, (B) permits transmission of a 48 dBu signal or by delivery of the Station’s signal by cable or direct broadcast satellite to at least eighty (80%) of the households capable of receiving the Station’s programming when the Station is operating at full power, and (C) does not last for a continuous period in excess of twenty-one (21) days. Each such Interruption Event shall give rise to a separate right to terminate by Buyer, which shall be subject to the notice procedures and

deadlines described in this Section 5.10; provided, however, that notwithstanding the Buyer's decision not to terminate this Agreement as a result of the occurrence of any single Interruption Event described in subsections (i) or (ii), the occurrence of such Interruption Events shall nonetheless be counted towards the cumulative Interruption Event described in subsection (iii).

**Section 5.11 Copyright Fees.** Following the Closing, Seller shall be responsible for filing any required copyright reports, notices, statements of account, supplemental statements and amendments in proper form and for paying when due any required copyright royalty fee payments relating to the Station's carriage of television and radio broadcast signals on or prior to the Closing Date.

**Section 5.12 Possession and Control of the Station.** Notwithstanding any other provision of this Agreement, the Closing shall not be consummated prior to the grant of the FCC Consent. Seller and Buyer acknowledge and agree that at all times commencing on the date hereof and ending on the Closing Date, neither Buyer nor any of its respective employees or Representatives, directly or indirectly, shall, or have any right to, control, direct or otherwise supervise, or attempt to control, direct or otherwise supervise any of the management or operation of the Station, it being understood that the operation, management, control and supervision of all programs, equipment, operations and other activities of the Station shall be the sole responsibility, and at all times prior to the Closing Date remain within the complete control and discretion, of Seller.

**Section 5.13 Make-Goods.** Seller shall use its best efforts to satisfy all make-good obligations pursuant to any Contract with respect to the sale or barter of advertising time that require any commercial inventory make-goods (including any such obligations arising as a result of a breach of such Contract) prior to the Closing Date. To the extent Seller does not satisfy such obligations prior to the Closing Date so that any such make-good must be aired after the Closing Date and the liability for such is not an Assumed Purchase Price Liability, Buyer shall be entitled to receive from Seller within five (5) Business Days after Buyer provides Seller with an affidavit customary in the broadcast industry evidencing the airing of such make-good all amounts received by Seller from the advertiser prior to Closing attributable to the advertisement aired as a make-good after Closing.

## **ARTICLE 6** **ADDITIONAL COVENANTS**

### **Section 6.1 Commercially Reasonable Efforts; Further Assurances.**

(a) Subject to the terms and conditions of this Agreement, including Section 6.1(b), Buyer and the ZGS Parties shall each use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Legal Requirements to consummate the transactions contemplated by this Agreement. Each of Buyer, Parent and Seller shall execute and deliver such other documents, certificates, agreements and other writings and take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer good and marketable title to

the Assets and to provide for Mid-Atlantic's assumption of the Assumed Liabilities (whether before or after the Closing).

(b) Notwithstanding anything contained in this Section 6.1, Section 6.2, Section 6.3, Section 6.4, or in any other provision hereof, neither Buyer nor any of its Affiliates shall be required to (i) agree to any conditions or limitations on any asset, business or property of Buyer or any of its Affiliates, on any asset, business or property which Buyer or any of its Affiliates has or hereafter has an unconsummated contract to acquire or to transfer or on the Assets, (ii) take or refrain from taking any action with respect to the acquisition, divestiture, leasing or other transaction involving, directly or indirectly, any television broadcasting business or other asset, business or property of any Person or in any area or market, including in the Philadelphia DMA or (iii) take any action that may adversely affect Buyer or its Affiliates, the Station or the Assets (any such requirement described in clauses (i) through (iii) of this Section 6.1(b), a "**Burdensome Condition**").

(c) Seller hereby irrevocably constitutes and appoints, effective as of immediately following Closing, to the extent that it may lawfully do so, Buyer and its successors and assigns as the true and lawful attorney of Seller with full power of substitution in the name of Buyer or in the name of Seller, but for the benefit of Buyer to (i) demand and enforce payment and performance of any and all obligations, claims and demands of every conceivable kind included among the Assets, (ii) give receipts and releases in respect to the same, (iii) institute, prosecute, defend and compromise any and all proceedings at law, in equity, or otherwise, which Buyer may in its sole discretion deem proper or desirable in order to collect, assert, enforce, defend or enjoy the benefit of any claim, demand, right, title or interest of every conceivable kind with respect to or under the Assets, and (iv) do any and all such acts and things in connection therewith as Buyer shall deem desirable, provided that (A) no such act shall modify the Final Purchase Price by virtue of this Section 6.1(c) and (B) the foregoing shall in no way affect or impair the rights of Buyer and its Affiliates and their respective officers, directors, managers, shareholders, partners, members and employees pursuant to Article 10. Buyer shall be entitled to retain for its own account any amounts collected pursuant to the foregoing powers, including any amounts payable as interest in respect thereof. Seller hereby declares that the appointment of Buyer so made, and any and all powers so granted to it, is coupled with an interest, shall be irrevocable by Seller, and shall survive its dissolution or liquidation.

## **Section 6.2** [FCC Applications.](#)

(a) Within ten (10) Business Days of the execution of this Agreement, Seller and LicenseCo shall jointly prepare and file with the FCC complete and accurate applications for FCC Consent to the assignment of the FCC Authorizations from Seller to LicenseCo or its permitted assign as contemplated herein (the "**FCC Application**"). Seller and LicenseCo shall each bear one-half of the amount of all FCC filing fees in connection with the FCC Application. LicenseCo shall notify Seller, and Seller shall notify LicenseCo, as the case may be, in the event it becomes aware of any facts, actions, communications or occurrences that might directly or indirectly affect the ability of LicenseCo or Seller to obtain the FCC Consent. Subject to Section 6.1(b), Seller and LicenseCo shall diligently take all necessary, desirable and appropriate actions, provide any additional information reasonably required or requested by the

FCC and otherwise use their commercially reasonable efforts to obtain the FCC Consent. Seller and LicenseCo shall oppose any petitions to deny or other objections filed with respect to the FCC Application, provided, however, that neither Seller nor LicenseCo nor any of their respective Affiliates shall have any obligation to participate in any evidentiary hearing on the FCC Application or to pay a third party to obtain an FCC Consent.

(b) Notwithstanding anything contained in Article 4 (other than Section 4.6) or any other section of this Agreement (other than Section 4.6), Buyer does not make any representation or warranty (i) regarding the likelihood that the FCC will consent to the transfer of the FCC Authorizations, (ii) that the current, future or proposed television broadcast holdings of Buyer or any of its Affiliates (whether now known or anticipated or as the same may exist in the future at the sole discretion of Buyer or any of its Affiliates), or any Contract or arrangement which Buyer or any of its Affiliates now has or hereafter has to acquire, transfer or use or otherwise involving television broadcast assets or businesses (whether in the Philadelphia DMA or in any other area or market), in each case will not materially and adversely impact the FCC Consent, cause the FCC Consent to be delayed, cause additional steps in the FCC's processing of a FCC Application, or result in failure of the FCC to consent to the transfer of the FCC Authorizations, or (iii) that in connection with the FCC Application or applications or Proceedings relating to other FCC Authorizations not involving the ZGS Parties, the FCC will not place or seek to place any Burdensome Condition on Buyer's acquisition of the FCC Authorizations or the other Assets, or that would otherwise cause any of the conditions specified in Article 9 to not be satisfied.

**Section 6.3 Public Announcements.** Unless otherwise required by federal or state securities laws, no party hereto shall make any public announcements or otherwise communicate with any news media with respect to this Agreement or any of the transactions contemplated hereby without the prior consultation and approval of the other parties as to the timing and content of any such announcement; *provided, however*, that nothing contained herein shall prevent any party from promptly making all filings with Governmental Authorities as may, in its reasonable judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, so long as such party, promptly upon learning of such requirement, notifies the other party of such requirement and consults with the other party in good faith with respect to the wording of such announcement. Subject to Section 6.1(b), each of the parties hereto shall use its respective commercially reasonable efforts to insure that such party's agents comply with this Section 6.3.

**Section 6.4 Confidentiality.** Unless otherwise required by federal or state securities laws, any non-public information that any ZGS Party may have prior to the Closing as a result of Seller's ownership and operation of the Station or have obtained from Buyer or its Representatives in connection with this Agreement shall be confidential until the second anniversary of the Closing Date, and no ZGS Party shall (i) disclose any such information to any third party other than its Representatives whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, or (ii) use such information to the detriment of Buyer; *provided, however*, that (a) a ZGS Party may use and disclose any such information that has been publicly disclosed (other than by Recipient Party in breach of its obligations under this Section) or that has rightfully and without duty of confidentiality come

into the possession of the ZGS Party (other than from Buyer or its Representatives or any such information that such ZGS Party had prior to the Closing as a result of Seller's ownership and operation of the Station), and (b) a ZGS Party may disclose any such information to the extent legally compelled to do so, in which case such ZGS Party shall promptly notify Buyer and, subject to Section 6.1(b), use its commercially reasonable efforts, and shall afford Buyer a reasonable opportunity, to obtain an appropriate protective order or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed.

**Section 6.5 Warn Act.** The parties shall cooperate to determine whether any notification may be required under the Worker Adjustment and Retraining Notification Act and/or any similar state law (collectively, the "**Warn Act**") as a result of the transactions contemplated by this Agreement. Seller shall be responsible for providing any notification that may be required under the Warn Act with respect to its employees.

**Section 6.6 Use of Seller's Name.** For a period up to six months after the Closing Date, Buyer may use Seller's d/b/a names and its corporate name and all derivations and abbreviations of such names and related marks, in order to effectively transfer title or other rights to use and operate all Assets and the Station to Buyer. Within six months after the Closing Date, Buyer shall discontinue using such names or marks.

**Section 6.7 Existing Tower Repairs.** At any time during the period beginning on the date 45 days after the date hereof (unless an earlier date is agreed by the parties) and ending on the Closing Date, Buyer shall have the right, upon written notice to the Seller, to take or cause to be taken actions that Buyer, in its sole discretion, determines to be necessary or desirable to ensure that the representations and warranties set forth in Schedule 3.23(a) and Schedule 3.23(b) are true and correct in all respects, at Seller's sole cost and expense (up to the limit of Section 10.5(d)). Subject to Section 10.5(d), Seller shall promptly reimburse Buyer for all out-of-pocket costs associated with actions taken pursuant to this Section 6.7. Prior to the Closing, Seller shall deliver or cause to be delivered to Buyer the CEI Certificate, provided, that a failure by Seller to cause CEI to deliver the CEI Certificate shall be remedied solely by indemnification under Section 10.5(d) hereof, and shall not constitute a condition to Closing.

## **ARTICLE 7** **TAX MATTERS**

**Section 7.1 Tax Definitions.** The following terms, as used herein, have the following meanings:

"**Code**" means the Internal Revenue Code of 1986.

"**Escheat Payment**" means any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law.

"**Post-Closing Tax Period**" means any Tax period (or portion thereof) ending after the Closing Date.

“**Pre-Closing Tax Period**” means any Tax period (or portion thereof) ending on or before the close of business on the Closing Date.

“**Tax**” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, capital, paid-up capital, profits, greenmail, license, gains, withholding on amounts paid to or by Seller or the Station, payroll, employment, excise, severance, stamp, occupation, premium, property, Escheat Payment, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority (domestic or foreign) responsible for the imposition of any such tax or (ii) any Liability for the payment of any amounts of the type described in (i) as a result of being party to any agreement or any express or implied obligation to indemnify any other Person.

“**Tax Return**” means any report, return, statement, form or other information required to be supplied to a taxing authority in connection with Taxes.

**Section 7.2 Tax Representations.** The ZGS Parties, jointly and severally, hereby represent and warrant to Buyer as of the date hereof and as of the Closing Date that:

(a) Seller has timely filed with the appropriate Governmental Authorities all Tax Returns required to be filed by or on behalf of Seller prior to the date hereof.

(b) Seller has timely paid all Taxes and all interest and penalties due thereon payable by it which arise from or with respect to the Assets or the operation of the Station and are incurred in or attributable to the Pre-Closing Tax Period which will have been required to be paid on or prior to the date hereof, the non-payment of which could result in a Lien on any Asset, could otherwise adversely affect the Station or could result in Buyer or any Affiliate of Buyer becoming liable or responsible therefor.

(c) Seller has established, in accordance with GAAP, adequate reserves for the payment of, and shall timely pay all Tax Liabilities, assessments, interest and penalties which arise from or with respect to the Assets or the operation of the Station and are incurred in or attributable to the Pre-Closing Tax Period, the non-payment of which could result in a Lien on any Asset, could otherwise adversely affect the Station or could result in Buyer or any Affiliate of Buyer becoming liable therefor.

(d) Seller has not received any written notice of audit, deficiency or assessment with respect to any Tax, the nonpayment of which could result in a Lien on any Asset, could otherwise adversely affect the Station or could result in Buyer or any Affiliate of Buyer becoming liable therefor.

(e) Schedule 7.2 sets forth the jurisdictions with which Seller has filed any Tax Return relating to the Station.

(f) The purchase and sale of the Assets contemplated by this Agreement is not subject to sales and use taxes, whether by virtue of payment obligation, withholding obligation or otherwise.

**Section 7.3 Tax Cooperation and Other Tax Matters.**

(a) Buyer and the ZGS Parties shall furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Station and the Assets (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election related to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. Buyer and the ZGS Parties shall retain all books and records with respect to Taxes pertaining to the Assets for a period of at least six years following the Closing Date. Buyer and the ZGS Parties shall cooperate with each other in the conduct of any audit or other proceeding related to Taxes involving the Station or the Assets for any Pre-Closing Tax Period. In particular, the ZGS Parties shall, at their expense and in accordance with all applicable Legal Requirements:

(i) prepare all Tax Returns by or on behalf of Seller with respect to any period ending on or before the Closing Date; and

(ii) exercise all tasks in connection with any audit, litigation or other proceeding with respect to Taxes and with respect to any period ending on or before the Closing Date (collectively, “**Tax Proceeding**”); *provided, however*, that no compromise, settlement, appeal or similar action shall be taken by Seller without the prior consent of Buyer.

(b) All real property taxes, personal property taxes and similar ad valorem obligations levied with respect to the Assets for a taxable period which includes (but does not end on) the Closing Date shall be apportioned between Seller and Buyer as of the Closing Date based on the number of days of such taxable period included in the Pre-Closing Tax Period and the number of days of such taxable period included in the Post-Closing Tax Period. Seller shall be liable for the proportionate amount of such taxes that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such taxes that is attributable to the Post-Closing Tax Period; provided, however, that Buyer shall have no obligation to apportion Taxes attributable to the Pre-Closing Tax Period or otherwise make payments to any ZGS Party with respect to such Taxes to the extent such Taxes are included in the calculation of Current Assets.

(c) In the case of any Taxes (other than any real property taxes, personal property taxes and similar ad valorem obligations) that are payable for a taxable period that includes (but does not end on) the Closing Date, the amount of such Taxes attributable to the Pre-Closing Tax Period shall be deemed equal to the amount which would be payable if the relevant taxable period ended on the Closing Date.

(d) Any transfer, documentary, sales, use or other Taxes assessed upon or with respect to the transfer of the Assets to Buyer and any recording or filing fees with respect thereto shall be the responsibility of Seller.

(e) At the Closing, Seller shall deliver to Buyer a certificate as required by Treasury regulations Section 1.1445 to the effect that Seller is not a “foreign person” as defined in Section 1445 of the Code.

(f) Seller shall not take or omit to take any action outside of the ordinary course of business or in a manner inconsistent with past practice if such action or omission could have the effect of increasing the Tax liability relating to the Station, Buyer, or any of Buyer’s Affiliates.

(g) For purposes of this Agreement, an Escheat Payment shall be attributable to a Pre-Closing Tax Period if the relevant abandoned or unclaimed property was first proffered by Seller in a Pre-Closing Tax Period.

(h) At least ten days (or otherwise as required to comply with applicable law) prior to the Closing Date, Seller shall deliver to the appropriate departments or agencies of the Commonwealth of Pennsylvania and the State of New Jersey (each a, “**State**” and together, the “**States**”) a written notice, on the applicable form and including information required to be filed with such form, of Seller’s proposed sale of the Assets (or any class thereof) located within each respective State (the “**Sale Notices**”). Seller shall deliver to Buyer a copy of each such Sale Notice and all related correspondence with either State in respect thereof (including any tax clearance certificate or other documents when received by Seller) promptly following Seller’s delivery or receipt thereof, as applicable.

## **ARTICLE 8**

### **EMPLOYEE BENEFITS AND EMPLOYEE MATTERS**

**Section 8.1** **Employee Benefits Definitions.** The following terms, as used herein, have the following meanings:

“**Employee Benefit Plan**” means any pension, retirement, profit-sharing, deferred compensation, bonus, incentive, performance, stock option, phantom stock, stock purchase, restricted stock, premium conversion, medical, hospitalization, vision, dental or other health, life, disability, severance, termination or other employee benefit plan, program, arrangement, agreement or policy, whether written or unwritten, to which Seller or Parent contributes, is obligated to contribute to, is a party to or is otherwise bound, or with respect to which Seller or Parent may have any liabilities.

“**ERISA**” means the Employee Retirement Income Security Act of 1974.

“**ERISA Affiliate**” means (i) a member of any “controlled group” (as defined in Section 414(b) of the Code) of which Seller is 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 Seller, or (iii) a member of any affiliated service group (within the meaning of Section 414(m) of the Code) of which Seller is a member.

**Section 8.2 Employee Benefit Representations.** The ZGS Parties, jointly and severally, hereby represent and warrant to Buyer as of the date hereof and as of the Closing Date that:

(a) Neither Seller nor any ERISA Affiliate of Seller has ever been a party to, contributed to, or had any Liability to a multiemployer plan (as that term is defined in ERISA Section 3(37)). No Employee Benefit Plan is subject to Title IV of ERISA. Neither Seller nor any of Seller's ERISA Affiliates has incurred any liability under Title IV of ERISA that could become, after the Closing Date, an obligation of Buyer or any of its Affiliates.

(b) Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified during the period from its adoption to date, and each trust forming a part thereof is exempt from tax pursuant to Section 501(a) of the Code.

(c) Each Employee Benefit Plan complies and has been administered in all material respects in accordance with its terms and all Legal Requirements, including ERISA and the Code and all applicable reporting, disclosure, fiduciary and tax qualification requirements thereunder. All statements and disclosures made on documents or forms filed or distributed pursuant to the applicable reporting and disclosure requirements under ERISA and the Code have been true and complete in all material respects and have been filed or distributed timely. No excise tax liability has been incurred with respect to any Employee Benefit Plan. Each Employee Benefit Plan is, and has been, operated and administered in material compliance with the appropriate written plan documents.

(d) Schedule 8.2 sets forth a list of each Employee Benefit Plan.

(e) Seller has not made any representations or promises or otherwise created any expectation among its employees regarding any compensation, benefits or payments from Buyer or any plan or arrangement maintained by Buyer.

**Section 8.3 Seller's Employee Benefit Plans.**

(a) Seller shall retain all obligations and liabilities under or relating to the Employee Benefit Plans, and Buyer shall assume none thereof.

(b) Seller shall be responsible for satisfying obligations under Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code, to provide continuation coverage and notice of such coverage to employees of the Station and their eligible dependents who suffer a "qualifying event" on or before the Closing Date, including the closing of the transactions contemplated by this Agreement.

(c) On or before the Closing Date, Seller shall pay to each of Seller's employees hired by Mid-Atlantic in accordance with the provisions of this Agreement ("**Transferred Employee**"), all liabilities relating to accrued and unused paid time off days accumulated by such employees prior to the Closing, and Buyer shall have no responsibility for any such liabilities. Each Transferred Employee shall be permitted to participate in the employee

benefit plans sponsored, maintained or contributed to by Buyer on the same terms and conditions as similarly situated employees of Mid-Atlantic, except that Mid-Atlantic shall give each such Transferred Employee full credit for his or her past continuous service with Seller and its predecessors and affiliates, for purposes of eligibility to participate and any waiting periods, benefit eligibility, and vesting (but not benefit accrual) under Seller's Employee Benefit Plans.

**Section 8.4 Employee Matters.**

(a) At least 30 days prior to the Closing Date, Mid-Atlantic shall provide to Seller a written list of employees it desires to employ following the Closing Date. From and after the date hereof until the Closing Date, Seller shall cooperate in all reasonable respects with Mid-Atlantic to allow Mid-Atlantic to evaluate and interview employees in order to make hiring decisions. On or before the Closing, Seller shall terminate the employment of all of its employees rendering services in connection with the Station (or transfer such employees to different positions in Seller's operations) other than those employees who are on Mid-Atlantic's list of employees it desires to hire, and Seller shall be solely responsible for any severance or other obligations to all such employees not hired by Mid-Atlantic.

(b) Nothing in this Section 8.4 or elsewhere in this Agreement shall be deemed to make any employee of Seller a third party beneficiary of this Agreement.

**ARTICLE 9  
CONDITIONS TO CLOSING**

**Section 9.1 Conditions to Obligation of Buyer.** The obligation of Buyer to consummate the Closing is subject to the satisfaction, or waiver by Buyer in its absolute discretion, of the following conditions:

(a) (i) The ZGS Parties shall have performed in all material respects all of their respective obligations hereunder required to be performed by them on or prior to the Closing Date; (ii) the representations and warranties of each of the ZGS Parties contained in this Agreement and in any certificate or other writing delivered by any of them pursuant hereto, to the extent not qualified by materiality or Material Adverse Effect, shall have been true and correct as of the date hereof and shall be true and correct at and as of the Closing Date in all material respects as if made at and as of such date, except for such representations and warranties made as of a certain date, which shall be true and correct in all material respects as of such date; (iii) the representations and warranties of each of the ZGS Parties contained in this Agreement and in any certificate or other writing delivered by any of them pursuant hereto, to the extent qualified by materiality or Material Adverse Effect, shall have been true and correct as of the date hereof and at and as of the Closing Date as if made at and as of such date, except for the representations and warranties made as of a certain date, which shall be true and correct as of such date; and (iv) Buyer shall have received a certificate to the foregoing effect signed by each ZGS Party.

(b) Buyer and Seller shall have received all Required Consents, each free from any adverse conditions (in the judgment of Buyer) and otherwise in form and substance reasonably acceptable to Buyer, and no such Required Consent shall have been

revoked. The ZGS Parties agree that Buyer will be deemed to be acting reasonably if it rejects a Required Consent due to such Required Consent being conditioned on any material adverse change in a Material Contract.

(c) The FCC Consent shall have been granted and shall have become a Final Order; provided, however, that neither the FCC Consent nor any Required Consent shall contain a Burdensome Condition; and provided, further that Buyer, in its sole discretion, may elect to waive the condition that the FCC Consent shall have become a Final Order.

(d) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall restrain, prohibit or otherwise interfere with the consummation of the Closing or the effective operation or enjoyment by Buyer of all or any material portion of the Station or the Assets.

(e) No proceeding challenging this Agreement or the transactions contemplated hereby or seeking to prohibit, alter, prevent or materially delay the Closing shall have been instituted by any Person before any arbitrator or Governmental Authority and be pending.

(f) There shall have been no event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, has, had or could reasonably be expected to have a Material Adverse Effect, except for changes affecting the television broadcast industry generally.

(g) The ZGS Parties shall have performed in all material respects all of their respective obligations under Section 6.1 hereof.

(h) Buyer shall have received the Search Results in accordance with Section 5.6. Seller shall have had all of the Liens on any Asset (including the Liens identified in the Search Results or listed on Schedule 3.6(a) or Schedule 3.6(b), but excluding the Permitted Liens) released and discharged (including release and discharge simultaneous with the Closing pursuant to payoff documents and procedures reasonably satisfactory to Buyer), and Buyer shall have received evidence reasonably satisfactory to it (including UCC-3 termination statements) that such Liens have been released and discharged of record.

(i) Any Person that has a Station Option shall have duly and properly waived its rights to exercise such Station Option in respect of this Agreement and the transactions contemplated hereby, and such Station Option shall have ceased to be applicable to any future sale or other transaction involving the Station.

(j) Seller shall have timely paid all Taxes and all interest and penalties due thereon payable by it which arise from or with respect to the Assets or the operation of the Station incurred in or attributable to the Pre-Closing Tax Period which will have been required to be paid on or prior to the Closing Date, the non-payment of which could result in a Lien on any Asset, could otherwise adversely affect the Station or could result in Buyer or any Affiliate of Buyer becoming liable or responsible therefor. Seller shall have timely delivered a Sale Notice

to each State and shall have delivered a copy of each such Sale Notice and all related correspondence to Buyer.

(k) On the Closing Date, Buyer shall have received:

(i) an opinion of Davis Wright Tremaine LLP, counsel to the ZGS Parties, dated the Closing Date, containing customary provisions and in form agreed between Seller and Buyer;

(ii) an opinion of Davis Wright Tremaine LLP, FCC counsel to the ZGS Parties, dated the Closing Date, containing customary provisions and in form agreed between Seller and Buyer;

(iii) the Transition Services Agreement, duly executed by Seller and Parent;

(iv) the Escrow Agreement, duly executed by Seller and the Escrow Agent;

(v) the Non-Competition Agreement, duly executed by each ZGS Party and the Individuals (as defined therein);

(vi) the Amendment to Blanket Amendment, duly executed by each Affiliate of Parent party thereto;

(vii) the Termination of Affiliation Agreement, duly executed by Seller;

(viii) the instruments of conveyance and assignment described in Section 2.7(b), duly executed by Seller and Parent; and

(ix) all such further documents, instruments and agreements as may be reasonably requested by Buyer or its counsel in order to more effectively provide for Mid-Atlantic's assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, or effectuate and carry out any provision of this Agreement.

**Section 9.2 Conditions to Obligation of the Seller.** The obligation of the Seller to consummate the Closing is subject to the satisfaction, or waiver by Seller in its absolute discretion, of the following conditions:

(a) (i) Buyer shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date; (ii) the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto shall have been true and correct as of the date hereof and shall be true and correct at and as of the Closing Date in all material respects as if made at and as of such date; and (iii) Seller shall have received a certificate signed by an appropriate executive officer of Buyer to the foregoing effect.

(b) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall restrain, prohibit or otherwise interfere with the consummation of the Closing or the effective operation or enjoyment by Buyer of all or any material portion of the Station or the Assets, and no proceeding challenging this Agreement or the transactions contemplated hereby or seeking to prohibit, alter, prevent or materially delay the Closing shall have been instituted by any Person before any arbitrator or Governmental Authority and be pending.

(c) On the Closing Date, Seller shall have received:

- (i) the Transition Services Agreement, duly executed by Buyer;
- (ii) the Escrow Agreement, duly executed by Buyer and the Escrow Agent;
- (iii) the Non-Competition Agreement, duly executed by Buyer;
- (iv) the Amendment to Blanket Amendment, duly executed by each Affiliate of Buyer party thereto;
- (v) the Termination of Affiliation Agreement, duly executed by Telemundo Network Group, LLC;
- (vi) the instruments of conveyance and assignment described in Section 2.7(b) that are required to be executed by Buyer, duly executed by Buyer; and
- (vii) all such further documents, instruments and agreements as may be reasonably requested by Seller or its counsel in order to more effectively provide for Mid-Atlantic's assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, or effectuate and carry out any provision of this Agreement.

## **ARTICLE 10** **SURVIVAL; INDEMNIFICATION**

**Section 10.1 Survival.** The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing until the date that is eighteen (18) months following the Closing Date (or the first Business Day thereafter, if such date is not a Business Day), except that (i) the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.7(b), 3.10, 3.21, 3.23, 4.1, 4.2 and 4.3 shall survive indefinitely and (ii) the representations and warranties set forth in Sections 3.12 and 3.16 and Articles 7 and 8 shall survive until the later of the second anniversary of the Closing Date (or the first Business Day thereafter, if such date is not a Business Day) or 60 days following the expiration of the applicable statutory period of limitations (giving effect to any waiver, mitigation or extension thereof). Notwithstanding the preceding sentence, any representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to

the preceding sentence, if a claim under this Article 10 shall have been made against the party from whom such indemnity may be sought prior to such time. All covenants and agreements of the parties hereunder and the indemnification obligations of the parties set forth in Section 10.2(a)(ii), (iii) and (iv) and Section 10.2(b)(ii), (iii) and (iv) shall survive the Closing indefinitely.

**Section 10.2 Indemnification.**

(a) The ZGS Parties, jointly and severally, hereby indemnify Buyer and its Affiliates and their respective officers, directors, managers, shareholders, partners, members and employees against, and shall hold each of them harmless from, any and all damage, loss, Liability and expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (collectively, "Loss") incurred or suffered by any of the foregoing arising out of, resulting from, or related to:

(i) any misrepresentation or breach of warranty made by any of the ZGS Parties pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement (disregarding, in each case for purposes of determining the existence of such misrepresentation or breach or the amount of Losses arising therefrom, any "materiality" or "Material Adverse Effect" or similar qualifications included in any such representation or warranty);

(ii) any breach of covenant or agreement made or to be performed by the ZGS Parties pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement;

(iii) any Excluded Liability or Excluded Asset; *provided, however,* that if any such Liability is also a misrepresentation or breach of warranty made by any of the ZGS Parties as described in Section 10.2(a)(i), the indemnification obligations set forth in this Section 10.2(a)(iii) shall apply exclusively with respect thereto; or

(iv) the failure of Seller to comply with any applicable bulk sales laws.

(b) Mid-Atlantic hereby indemnifies the ZGS Parties and their respective Affiliates and their respective officers, directors, managers, shareholders, partners, members and employees against, and shall hold each of them harmless from, any and all Loss incurred or suffered by any of the foregoing arising out of, resulting from, or related to:

(i) any misrepresentation or breach of warranty made by Buyer pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement (disregarding, in each case for purposes of determining the existence of such misrepresentation or breach or the amount of Losses arising therefrom, any "materiality" or similar qualifications included in any such representation or warranty);

(ii) any breach of covenant or agreement made or to be performed by Buyer pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement;

(iii) any Assumed Liability, including the failure of Mid-Atlantic to perform or satisfy any such Assumed Liability; or

(iv) Buyer's ownership or operation of the Station after the Closing Date, except to the extent that such Loss relates to any matter for which Buyer is entitled to indemnification under Section 10.2(a).

(c) The Indemnity Escrow Amount shall be security for the payment of the ZGS Parties' indemnification obligations hereunder, but Buyer's rights with respect thereto shall not be limited to the Indemnity Escrow Amount.

### **Section 10.3 Claim Procedures.**

(a) Any party seeking indemnification pursuant to this Section (the "**Indemnified Party**") shall promptly notify in writing (an "**Indemnity Notice**") the other party or parties from whom such indemnification is sought (the "**Indemnifying Party**") of the Indemnified Party's assertion or a third party's assertion of any claim with respect to which the indemnification provisions set forth in this Article relate, providing in reasonable detail the facts giving rise to such claim, a statement of the Indemnified Party's Loss to the extent then known, and an estimate of the amount of Losses that the Indemnified Party reasonably anticipates it will suffer or incur; *provided, however*, that no delay on the part of the Indemnified Party in giving the Indemnity Notice shall relieve the Indemnifying Party from any obligation hereunder unless (and solely to the extent) the Indemnifying Party is prejudiced thereby.

(b) With respect to any third party claim for which an Indemnified Party is seeking indemnification hereunder:

(i) The Indemnifying Party shall have the right, upon written notice to the Indemnified Party within ten Business Days after its receipt of any Indemnity Notice, to undertake (at its expense) the defense of such claim with counsel reasonably satisfactory to the Indemnified Party; *provided, however*, that the Indemnifying Party shall not have the right to assume the defense of such claim if (A) the Indemnifying Party is also a party to such claim and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (B) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend such claim and provide indemnification with respect to such claim, whereupon the Indemnified Party shall be entitled (but not obligated) to undertake the defense of such claim at the expense of the Indemnifying Party. The failure of the Indemnifying Party to give such notice and to undertake the defense of such a claim shall constitute a waiver of the Indemnifying Party's rights under this Section 10.3(b) and shall entitle (but not obligate) the Indemnified Party to undertake such defense at the expense of the Indemnifying Party. If the Indemnified Party undertakes the defense of any such claim, whether due to the Indemnifying Party's failure to assume such defense or the Indemnifying Party not having the right to assume such defense for one of the reasons set forth in clauses (A) and (B)

above, then, in the absence of gross negligence or willful misconduct on the part of the Indemnified Party, the Indemnifying Party shall be precluded from disputing the manner in which the Indemnified Party conducted the defense of such claim or the reasonableness of any amount paid and any agreement made by the Indemnified Party in settlement of such claim.

(ii) If the Indemnifying Party has undertaken the defense of any such claim as provided in clause (i), the Indemnifying Party may not agree to any settlement or compromise of such claim without the prior written consent of the Indemnified Party unless (A) prior to such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses, (B) the Indemnified Party is furnished with security satisfactory to the Indemnified Party that the Indemnifying Party will in fact pay such amount and expenses, (C) the settlement or compromise does not involve anything but the one-time payment of money and has no adverse impact on the Station or its operations, and (D) the Indemnifying Party obtains, at no cost to the Indemnified Party, a release executed and delivered by the claiming third party or parties of all claims against the Indemnified Party, which release shall be acceptable in form and substance to the Indemnified Party. The Indemnified Party may, through counsel selected and paid by it, participate in (but not control) the defense of any claim undertaken by the Indemnifying Party.

(c) Unless, within ten Business Days following the Indemnifying Party's receipt of an Indemnity Notice, the Indemnifying Party gives written notice to the Indemnified Party announcing its intent to contest the assertion of such indemnification claim (the "**Contest Notice**"), such claim shall be deemed accepted by the Indemnifying Party. Notwithstanding the foregoing, if the Indemnifying Party assumes the defense of any third party claim pursuant to subsection (b), such claim shall be deemed accepted by the Indemnifying Party whether or not a Contest Notice has been or is later delivered. In the event that a Contest Notice is given to the Indemnified Party, then the parties shall endeavor to settle and compromise such contested claim as between them. If the parties are unable to agree on a settlement or compromise of such claim within 30 days after the Indemnified Party's receipt of the Contest Notice, such contested claim shall be settled by arbitration to be held in Philadelphia, Pennsylvania in accordance with the rules of the American Arbitration Association. The determination of the arbitrator(s) shall be delivered in writing to the Indemnifying Party and the Indemnified Party and shall be conclusive and binding upon all parties, and the amount to be paid by the Indemnifying Party shall be deemed established thereby. In the event that the claim relates to a third party claim that has not yet been resolved, the final amount to be paid shall be determined upon such resolution.

**Section 10.4 Payment of Losses.** Any Losses subject to indemnification under this Article 10 shall bear interest, in the case of a Loss attributable to a third party claim, from the date of the Indemnity Notice, and in all other cases, from the Closing Date, in each case until the date paid at a rate equal to the lesser of (i) two percent (2%) over Prime Rate, or (ii) the highest legal rate permitted by applicable Legal Requirements. The Indemnifying Party shall pay the amount of established Losses (including interest calculated pursuant to this Section 10.4) to the Indemnified Party in cash within five Business Days after establishment thereof (except to the extent a claim and disbursement for such Loss (including applicable interest) has been made pursuant to the Escrow Agreement).

## **Section 10.5 Limitations on Indemnification Obligations.**

(a) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i), as applicable, of this Agreement arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement unless and until the aggregate amount of all such Losses suffered or incurred by such Indemnified Party and other persons claiming through such Indemnified Party exceeds \$100,000, in which event such Indemnified Party and such persons claiming through such Indemnified Party shall be entitled to indemnification for the amount of all Losses suffered or incurred in amounts greater, in the aggregate, than the \$100,000 deductible; *provided, however*, that the above limitation shall not be applicable to any claim for Losses (i) pursuant to Sections 10.2(a)(ii), (iii) or (iv) or 10.2(b)(ii), (iii) or (iv), or (ii) based upon a breach of representation or warranty made in or pursuant to Sections 3.1, 3.2, 3.3, 3.7(b), 3.12, 3.16, 3.23, 4.1, 4.2, 4.3, 7.2 or 8.2.

(b) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i), as applicable, of this Agreement arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement, to the extent that payments thereof by or on behalf of such Indemnifying Party to the Indemnified Party or persons claiming through such Indemnified Party or reasonably paid to third parties for the benefit of such Indemnified Party or persons claiming through such Indemnified Party pursuant to this terms of this Agreement exceed, in the aggregate, Two Million Dollars (\$2,000,000); *provided, however*, that the above limitation shall not be applicable to any claim for Losses (x) pursuant to Sections 10.2(a)(ii), (iii) or (iv) or 10.2(b)(ii), (iii) or (iv), or (y) based upon a breach of representation or warranty made in or pursuant to Sections 3.1, 3.2, 3.3, 3.7(b), 3.8, 3.12, 3.16, 3.23, 4.1, 4.2, 4.3, 7.2 or 8.2, and for the avoidance of doubt, none of the Losses described in clauses (x) or (y) hereof shall be included in determining the Two Million Dollar (\$2,000,000) limitation applicable under this Section 10.5(b).

(c) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i), as applicable, of this Agreement arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to Sections 3.1, 3.2, 3.3, 3.7(b), 3.12, 3.16, 3.23, 4.1, 4.2, 4.3, 7.2 or 8.2, to the extent that payments thereof by or on behalf of such Indemnifying Party to the Indemnified Party or persons claiming through such Indemnified Party or reasonably paid to third parties for the benefit of such Indemnified Party or persons claiming through such Indemnified Party pursuant to this terms of this Agreement exceed, in the aggregate, the Purchase Price.

(d) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) of this Agreement arising out of or based upon any inaccuracy in or breach of a representation or warranty made in or pursuant to Section 3.23(a), (b) or (c) or pursuant to Section 10.2(a)(ii) arising out of a breach of Section 6.7 to the extent that payments thereof by or on behalf of such Indemnifying Party to the Indemnified Party or persons claiming through such Indemnified Party or reasonably paid to third parties for the benefit of such Indemnified Party or persons claiming through such Indemnified Party pursuant to this terms of this Agreement exceed, in the aggregate, \$50,000; *provided, however*, that the above limitation shall not be applicable to any claim: (x) for Losses pursuant to Sections 10.2(a)(iii) or (iv), (y) pursuant to Section 10.2(a)(i) arising or based out of any inaccuracy in or breach of a representation or warranty other than those made in or pursuant to Sections 3.23(a), (b) or (c) or (z) pursuant to Section 10.2(a)(ii) other than claims arising out of a breach of Section 6.7, and for the avoidance of doubt, none of the Losses described in clauses (x), (y) or (z) hereof shall be included in determining the \$50,000 limitation applicable under this Section 10.5(d).

(e) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive or exemplary damages, other than with respect to amounts paid or payable to third parties.

**Section 10.6 Exclusive Remedy.** In the absence of fraud or knowing misrepresentation or breach of warranty, and except (i) with respect to the availability of specific performance or other equitable remedies for breach or non-compliance, and (ii) for the enforcement of rights under the documents and instruments executed and delivered by the parties at the Closing, following the Closing, the indemnification provided by this Article 10 shall be the sole remedy of the parties hereto with respect to the transactions contemplated by this Agreement.

## **ARTICLE 11** **TERMINATION**

**Section 11.1 Grounds for Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement of Seller and Buyer; or
- (b) by either Seller or Buyer if the Closing shall not have been consummated on or before the Outside Date, provided that such failure to close by such date shall not have been the result of a material breach of any representation, warranty, covenant or other agreement contained herein by the party seeking termination;
- (c) by Seller in the event that Buyer shall be in material breach or default under this Agreement and shall have failed to cure such breach or default within 30 days after receiving written notice from Seller, provided that no ZGS Party is then in material breach of any representation, warranty, covenant or other agreement contained herein (provided that the obligation of the Buyer to pay the Purchase Price at Closing shall not be capable of cure);

(d) by Buyer in the event that any ZGS Party shall be in material breach or default under this Agreement and shall have failed to cure such breach or default within 30 days after Seller receiving written notice from Buyer, provided that Buyer is not then in material breach of any representation, warranty, covenant or other agreement contained herein; or

(e) by Buyer if (i) the FCC Consent has not become a Final Order twelve (12) months after the filing of the FCC Application, or (ii) the FCC designates the FCC Application for an evidentiary hearing;

(f) by Buyer under the circumstances set forth in Section 5.9;

(g) by Buyer under the circumstances set forth in Section 5.10; and

(h) by either Seller or Buyer if there shall be any Legal Requirement that makes the consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable, final Judgment of any Governmental Authority.

The party desiring to terminate this Agreement pursuant to subsections (b), (c), (d), (e), (f), (g), or (h) shall give written notice of such termination to the other parties.

**Section 11.2 Effect of Termination.** If this Agreement is terminated as permitted by Section 11.1, such termination shall be without liability of any party (or any shareholder, partner, member, director, officer, manager, employee, agent, consultant or representative of such party) to the other parties to this Agreement and each party shall bear its own costs and expenses incurred in connection with the transactions contemplated hereby; *provided, however*, that, notwithstanding the foregoing but subject to the provisions of Section 11.3, the non-terminating party (and its Affiliates that are parties hereto, if any) shall be fully liable for any and all Losses incurred or suffered by the terminating party if such termination is pursuant to (i) Section 11.1(b) and the failure to close by such date is the result of a material breach by the non-terminating party, (ii) Section 11.1(c) or Section 11(d). The provisions of Section 6.4 (Confidentiality) and Section 12.3 (Expenses) shall survive any termination hereof pursuant to Section 11.1.

**Section 11.3 Termination Fee.** Following a termination of this Agreement by Seller pursuant to the provisions of Section 11.1(c) hereof, Mid-Atlantic shall pay Seller an amount equal to One Million Dollars (\$1,000,000) (the “**Termination Fee**”). If Mid-Atlantic has not paid Seller the Termination Fee when required pursuant to the provisions of this Section 11.3, then NBCU shall pay Seller the Termination Fee or cause Seller to be paid the Termination Fee promptly following Mid-Atlantic’s failure to do so. For the avoidance of doubt, prior to Closing, neither Buyer nor NBCU shall have any obligation to pay any amount to any ZGS Party (i) during the term of this Agreement or (ii) following a termination of this Agreement by any party pursuant to any provision hereof other than Section 11.1(c). Notwithstanding anything in Section 11.2 or any other provisions of this Agreement to the contrary, prior to the Closing, the right to receive the Termination Fee under and pursuant to the terms of this Section 11.3 following Seller’s termination of this Agreement pursuant to Section 11.1(c) hereof shall be the sole and

exclusive remedy of the ZGS Parties and their respective Affiliates with respect to the transactions contemplated by this Agreement.

**ARTICLE 12**  
**MISCELLANEOUS**

**Section 12.1 Notices.** All notices, requests or other communications required or which may be given hereunder shall be in writing and either delivered personally to the addressee, sent via facsimile transmission to the addressee, mailed to the addressee by certified or registered mail or express mail, postage prepaid, or sent to the addressee by a nationally recognized overnight delivery service, service charges prepaid, in each case as follows:

if to Buyer, to:

2290 West 8th Ave.  
Hialeah, Florida 33101  
Attention: Chief Financial Officer  
Facsimile: (305) 889-7926  
Telephone: (305) 884-9607

with a copy to:

c/o Comcast Corporation  
One Comcast Center  
1701 John F. Kennedy Blvd.  
Philadelphia, PA 19103-2838  
Attn: General Counsel  
Facsimile: (215) 286-7794  
Telephone: (215) 286-1700

if to any ZGS Party, to:

ZGS Communications, Inc.  
2000 N. 14th Street  
Suite 400  
Arlington, VA 22201  
Attention: Ronald Gordon  
Facsimile: 703-526-0879  
Telephone: 703-528-5656 ext 117

with a copy to:

ZGS Communications, Inc.  
9025 SW 68th Ave.  
Pinecrest, FL 33156  
Attention: Peter Housman  
Facsimile: 801-665-9260  
Telephone: 305-665-9260

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

Davis Wright Tremaine LLP  
1919 Pennsylvania Avenue NW  
Suite 800  
Washington, DC 20006  
Attention: Bryan T. McGinnis, Esq  
Facsimile: (202) 973-4949  
Telephone: (202) 973-4285

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or other communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

**Section 12.2 Amendments and Waivers; Severability.**

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) If any provision of this Agreement is hereafter construed to be invalid or unenforceable (including in any particular jurisdiction), the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalid portions or unenforceable provisions.

**Section 12.3 Expenses.** Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

**Section 12.4 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto except that Buyer may, without the consent of Seller, transfer or assign to one or more Affiliates, in whole or from time to time in part, the right to purchase all or a portion of the Assets, provided that no such assignment shall be permitted if it will materially delay processing of the FCC Application.

**Section 12.5 Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of New York (and United States law, to the extent applicable), without regard to the conflicts of law rules of such state.

**Section 12.6 Jurisdiction.** Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in the United States District Court for the Eastern District of Pennsylvania or any other Pennsylvania state court sitting in Philadelphia County, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party in the manner provided in Section 12.1 shall be deemed effective service of process on such party.

**Section 12.7 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 12.8 Specific Performance; Remedies Cumulative.**

(a) The ZGS Parties recognize that the Station is a unique asset that cannot be readily obtained in the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall be entitled in such event, in addition to bringing suit at law or equity for money or other damages, to obtain specific performance of the terms of this Agreement and to such other equitable relief as Buyer deems appropriate. In any action to enforce the provisions of this Agreement, the ZGS Parties shall waive the defense that there is an adequate remedy at law or equity and hereby agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement.

(b) The remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

**Section 12.9 Counterparts; Effectiveness.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto, which counterpart may be delivered via facsimile, PDF or other electronic means.

**Section 12.10 Entire Agreement; Third Party Beneficiaries.** This Agreement (including the Schedules and Exhibits attached hereto) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. The Letter of Intent is hereby terminated and superseded in its entirety by this Agreement. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**BUYER:**

TELEMUNDO MID-ATLANTIC LLC

By: 

Name: Robert S. Pick

Title: Senior Vice President

NBC TELEMUNDO LICENSE LLC

By: \_\_\_\_\_

Name: Margaret Tobey

Title: Assistant Secretary

**SELLER:**

ZGS PHILADELPHIA, INC.

By: \_\_\_\_\_

Name:

Title:

**PARENT:**

ZGS COMMUNICATIONS, INC.

By: \_\_\_\_\_

Name:

Title:

**[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**BUYER:**

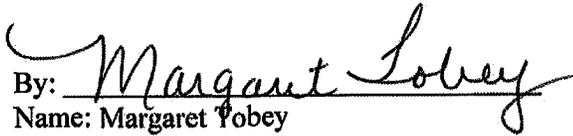
TELEMUNDO MID-ATLANTIC LLC

By: \_\_\_\_\_

Name: Robert S. Pick

Title: Senior Vice President

NBC TELEMUNDO LICENSE LLC

By:  \_\_\_\_\_

Name: Margaret Tobey

Title: Assistant Secretary

**SELLER:**

ZGS PHILADELPHIA, INC.

By: \_\_\_\_\_

Name:

Title:

**PARENT:**

ZGS COMMUNICATIONS, INC.

By: \_\_\_\_\_

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**BUYER:**

TELEMUNDO MID-ATLANTIC LLC

By: \_\_\_\_\_

Name: Robert S. Pick

Title: Senior Vice President

NBC TELEMUNDO LICENSE LLC

By: \_\_\_\_\_

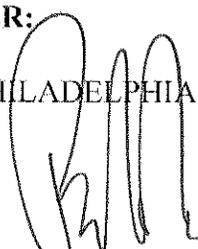
Name: Margaret Tobey

Title: Assistant Secretary

**SELLER:**

ZGS PHILADELPHIA, INC.

By: \_\_\_\_\_

Name:  Ronald Gordon

Title: CEO

**PARENT:**

ZGS COMMUNICATIONS, INC.

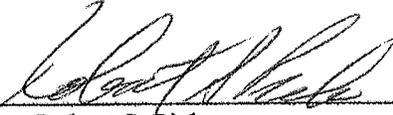
By: \_\_\_\_\_

Name:  Ronald Gordon

Title: CEO

**NBCU:**

NBCUNIVERSAL MEDIA, LLC, solely with  
respect to Section 11.3 of the Agreement

By: 

Name: Robert S. Pick

Title: Senior Vice President

**[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]**