

**OPTION EXERCISE AGREEMENT**

THIS OPTION EXERCISE AGREEMENT (this “**Agreement**”) is made and entered into as of April 23, 2018, by and among Sinclair Television Group, Inc., a Maryland corporation (together with its successors and permitted assigns, “**Option Holder**”), New Age Media of Pennsylvania, LLC, a Delaware limited liability company (“**New Age**”), and New Age Media of Pennsylvania License, LLC, a Delaware limited liability company (“**NAM**,” and together with New Age, the “**Optionor**”).

**WITNESSETH:**

**WHEREAS**, the Optionor holds (i) certain licenses issued by the FCC and (ii) certain other assets, in each case primarily used in the operation of each of WOLF-TV, Hazleton, PA (Facility ID No. 73375) and WQMY(TV), Williamsport, PA (Facility ID No. 52075) (together, the “**Stations**”), which each serve the Wilkes Barre-Scranton, PA market;

**WHEREAS**, Option Holder and Optionor are parties to that certain Option Agreement, made as of October 31, 2014, and effective November 1, 2014 (the “**Option Agreement**”), pursuant to which, among other things, Optionor granted to Option Holder an option (the “**Option**”) to purchase all of Optionor’s right, title and interest in and to the tangible and intangible assets held to be used or used in connection with the conduct of the Stations’ business and conducted in accordance with the Master Services Agreement (as defined below) (the “**Station’s Business**”), including the Licenses and the Assumed Contracts (both as defined below) (all of such assets, other than assets listed on Exhibit A-1 as Excluded Assets, collectively, the “**Option Assets**”);

**WHEREAS**, the “**Licenses**” means all licenses, permits, construction permits and other authorizations issued by the Federal Communications Commission (the “**FCC**”), the Federal Aviation Administration, or any other federal, state, or local governmental authority to Optionor in effect and used or held to be used in connection with the conduct of the Station’s Business; and “**Assumed Contracts**” means (i) all contracts, agreements, leases, non-governmental licenses and other agreements, including leases for personal or real property and employment agreements, written or oral (“**Contracts**”), set forth on Exhibit A-2, and (ii) Contracts entered into by Optionor between the date of this Agreement and the Closing in the ordinary course of business or otherwise approved by Option Holder;

**WHEREAS**, the Option Holder and Optionor are parties to that certain (i) Master Services Agreement, made as of October 31, 2014 and effective November 1, 2014, as amended (the “**Master Services Agreement**”) and (ii) New Age Media, LLC, an affiliate of Optionor, and Option Holder are parties to that certain Repack Agreement dated June 13, 2017, as amended January 17, 2018, (the “**Repack Agreement**”);

**WHEREAS**, Tribune Media Company, a Delaware corporation (“**Tribune**”), Sinclair Broadcasting Group, Inc., a Maryland corporation (“**Sinclair**”) and Samson Merger Sub Inc., a Delaware corporation (“**Merger Sub**”) are party to that certain Agreement and Plan of Merger, dated as of May 8, 2017 (as may be amended, restated, modified or supplemented from time to

time), pursuant to which Merger Sub will merge with and into Tribune (the “**Tribune Merger**”), with Tribune surviving the Tribune Merger as a subsidiary of Sinclair;

**WHEREAS**, Standard Media Group LLC, a Delaware limited liability company (“**Buyer**”) and Option Holder (but not Optionor) have entered into that certain Asset Purchase Agreement, dated as of April 20, 2018 (the “**Asset Purchase Agreement**”), pursuant to which Buyer has agreed to purchase from Option Holder, and Option Holder has agreed to cause to be sold, conveyed, transferred, assigned and delivered, to Buyer at the closing under the Asset Purchase Agreement (the “**Closing**,” and the date of the Closing, the “**Closing Date**”), certain assets, including the Option Assets, and Buyer has agreed to assume the liabilities and obligations under or with respect to the Assumed Contracts required by the terms thereof to be discharged on or after the Closing (such liabilities and obligations under or with respect to the Assumed Contracts, the “**Option Liabilities**”), subject to the terms and conditions set forth therein; and

**WHEREAS**, Option Holder desires to exercise the Option to cause, on behalf of Option Holder, the Option Assets to be conveyed, transferred, assigned and delivered to, and the Option Liabilities to be assumed by, Buyer under the Asset Purchase Agreement, and Optionor and Option Holder wish to make arrangements for the orderly conveyance, transfer, assignment and delivery to Buyer of the Option Assets, and the orderly assumption by Buyer of the Assumed Liabilities, as of the Closing Date, pursuant to the exercise of the Option.

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

1. **Exercise of Option.** By executing this Agreement, Option Holder hereby exercises the Option with respect to the Option Assets pursuant to Section 2(d) of the Option Agreement. For the avoidance of doubt, the exercise of the Option shall be contingent on the consummation of the Closing. In the event that the Asset Purchase Agreement shall be terminated, the exercise of the Option and this Agreement shall be null and void and the Option Agreement shall remain in full force and effect in accordance with its terms. The parties are entering into this Agreement in lieu of, and to supersede, the Asset Purchase Agreement attached to the Option Agreement as Exhibit A thereto which, upon closing of the exercise of the Option, shall be of no further force and effect.

2. **Closing.**

(a) At the Closing, pursuant to Option Holder’s direction and for the account of Option Holder, Optionor shall convey, transfer, assign and deliver to Buyer all of Optionor’s right, title and interest in and to the Option Assets free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, charges, or encumbrances of any nature whatsoever (except for Permitted Encumbrances listed on Exhibit A-3 and the Option Liabilities), and Option Holder shall cause Buyer to assume all obligations and liabilities of Optionor under the Licenses and Assumed Contracts arising after the Closing. At the Closing, the Optionor shall, and the Option Holder shall cause the Buyer to, execute and deliver such assignment and assumption agreements and/or bills of sale and other instruments of conveyance as shall be reasonably necessary or appropriate to implement the foregoing. Notwithstanding anything to the

contrary in this Agreement, should the FCC decline to renew WQMY's satellite exemption when acting on the FCC Application to be filed in accordance with Section 5(b) hereunder, if Option Holder elects, (i) Optionor shall not transfer to Buyer the Option Assets relating to WQMY, and Buyer shall not assume the Assumed Contracts relating to WQMY, in each case at Closing; (ii) Option Holder shall identify to Optionor a new party (designated by Buyer) to acquire the Option Assets and Assumed Contracts and to assume the obligations and liabilities of Optionor arising after the Closing under the Licenses and Assumed Contracts, in each case relating to WQMY hereunder; (iii) upon Option Holder informing Optionor of such designation, Optionor shall take all necessary actions (including the filing of appropriate FCC applications) to promptly assign the Option Assets and Assumed Contracts in each case relating to WQMY for no additional consideration (other than such designee's assumption of the obligations and liabilities of Optionor under the Licenses and Assumed Contracts relating to WQMY) to the designee selected by Buyer; and (iv) Optionor shall cooperate with Sinclair and Buyer to implement a framework to allow Buyer to provide services to WQMY during the period between Closing and the assignment contemplated by clause (iii) (the "**Interim Period**") on terms substantially similar to those set forth in the Master Services Agreement.

(b) At the Closing, as consideration for the exercise of the Option, Option Holder shall pay to Optionor any amounts payable by Option Holder to the Optionor under the Option Agreement.

3. **Assignment of Option Assets.** Notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute an agreement to assign any Option Asset or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Option Asset or in any way adversely affect the rights of Buyer, Optionor or Option Holder or any of their respective affiliates thereunder. Option Holder or its designee shall be responsible for obtaining and shall use reasonable best efforts to obtain such consents after the execution of this Agreement until each such consent is obtained, and Optionor shall reasonably cooperate with Option Holder or its designee in obtaining such consents at Option Holder's expense. If any such consent is not obtained prior to the Closing Date, Option Holder shall use its reasonable best efforts to obtain such consent as soon as reasonably practicable after the Closing Date. Optionor and Option Holder shall cooperate with each other and with Buyer in a mutually agreeable arrangement under which Buyer will obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including sub-contracting, sub-licensing, occupancy and use agreements or sub-leasing to Buyer or its affiliates and enforcement by Optionor for the benefit of Buyer or its affiliates, as applicable, of any and all rights of Optionor against a third party thereto. Notwithstanding the foregoing, none of Optionor or Option Holder or any of their respective affiliates shall be required to pay consideration to any third party and Optionor shall not be required to pay any consideration to Option Holder or Buyer or to incur any expense (other than any expense the cost of which is advanced by Option Holder or reimbursed to Optionor by Option Holder) to obtain any consent. Once such consent, or waiver thereof is obtained, with respect to an Option Asset, Optionor shall transfer, assign, convey or deliver to Buyer the relevant Option Asset to which such consent or waiver relates for no additional consideration (other than Buyer's assumption of Optionor's obligations and liabilities under the Assumed Contracts), and Optionor and Option Holder shall have no further liability or

obligation thereunder (including, for the avoidance of doubt, any obligation to guarantee any party's obligations under such agreement), except as otherwise provided in Section 19.

4. **Representations and Warranties.** Optionor hereby represents and warrants as follows: Optionor is qualified to do business and is in good standing in each jurisdiction where such qualification is necessary. Optionor has the requisite power and authority to own and hold the Option Assets (including the Licenses) and to directly or indirectly operate the Stations as currently operated. Optionor owns and holds the Option Assets (including Licenses). The Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated, and have not expired. Optionor is qualified under applicable law (including the Communications Act of 1934, as amended) to transfer, or cause to be transferred, the Licenses as contemplated by Section 2(a), subject to such FCC approval as may be required by applicable law. To Optionor's knowledge, the FCC Licenses (as defined below) are not subject to any condition, except for those conditions appearing on the face of the FCC Licenses and conditions generally applicable to each class of station. The foregoing are the only representations and warranties being given by Optionor under this Agreement covering the subject matter hereof except as otherwise provided in Section 21.

5. **Interim Covenants.**

(a) Prior to the Closing, Optionor and Option Holder shall continue to comply with their respective covenants and obligations under the Master Services Agreement and the Option Agreement (it being understood that, in connection with the Closing, the provisions hereof shall supersede the provisions set forth in Sections 4, 6 and 7 of the Option Agreement). Without limiting the generality of the foregoing, Option Holder shall continue to advance to and/or reimburse Optionor for all expenses incurred by Optionor in connection with the ownership and operation of the Stations in accordance with the past practice of the parties.

(b) Subject to the terms and conditions of this Agreement, Optionor shall use reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, all efforts reasonably necessary or desirable under applicable law to consummate the transactions contemplated by this Agreement. Without limitation of the foregoing, Optionor shall, and shall cooperate with the Option Holder to, prepare and file with the FCC as soon as practicable, (using its reasonable best efforts to make such filing within five (5) business days after the date hereof), the requisite applications (collectively, the "**FCC Application**") and other necessary instruments or documents requesting the FCC's consent (the "**FCC Consent**") to the assignment of each of the Licenses issued by the FCC to Optionor that is used in connection with the conduct of the Station's Business (the "**FCC Licenses**") from Optionor to Buyer or any of its affiliates (as directed by Option Holder) and thereupon prosecute the FCC Application with all reasonable diligence to obtain the FCC Consent. Optionor shall use reasonable best efforts to oppose any petitions to deny or other objections filed with respect to the FCC Application to the extent such petition or objection relates to Optionor. Optionor shall not take any intentional action, or intentionally fail to take any action, which would reasonably be expected to materially delay the receipt of the FCC Consent. To the extent necessary with respect to the Stations, Optionor shall promptly enter into a tolling agreement or other arrangement if requested by the FCC with respect to any complaints regarding the FCC Licenses (provided, that Option Holder accept liability in connection with any enforcement suit, action, claim, proceeding, arbitration,

mediation, audit or hearing (in each case, whether civil, criminal or administrative) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental authority by the FCC with respect to such complaints as part of such tolling or other arrangement). If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and the parties to the Asset Purchase Agreement have not terminated the same, Optionor shall request an extension of the effective period of the FCC Consent. In connection with the efforts to obtain the FCC Consent, Optionor shall, to the extent permitted by Law, (i) cooperate in all respects with Option Holder in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) keep the Option Holder informed in a timely manner and in all material respects of any material communication received by Optionor from, or given by Optionor, to the FCC or any other governmental authority including the provision of copies of any pleadings, documents, or other communications exchanged with the FCC or any other governmental authority and the material non-confidential portions of any communications received or given by a private party with respect to this Agreement and/or the transactions contemplated hereby, (iii) permit Option Holder to review any material non-confidential portions of any communication given or to be given by it to the FCC, and any other governmental authority with respect to this Agreement and the transactions contemplated hereby, and (iv) consult with Option Holder in advance of and permit Option Holder to attend any meeting or conference with, the FCC or any such other governmental authority or, in connection with any proceeding by a private party, with any other Person, in each case regarding any of the transactions contemplated by this Agreement. If applicable, and without limitation of any other provision in this Section 5, promptly after the date of this Agreement (and upon no later than five (5) business days' request by the Option Holder) Optionor shall, and shall cause its ultimate parent entities (as that term is defined in the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "**HSR Act**")) to, make all required filings with the Federal Trade Commission and the U.S. Department of Justice pursuant to the HSR Act, with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder) and shall thereafter promptly respond to all reasonable requests received from such agencies for additional information or documentation.

**6. Termination of Master Services Agreement and Repack Agreement.**

(a) Master Services Agreement. As of the Closing, the Master Services Agreement shall be terminated in its entirety in accordance with Section 8.1(b) of the Master Services Agreement; provided, that Section 7 and the last sentence of Section 8.2 of the Master Services Agreement shall survive in accordance with their terms. Notwithstanding the foregoing, all costs, fees, expenses and other amounts payable by the Option Holder to the Optionor, and by the Optionor to the Option Holder, under the Master Services Agreement shall be paid to the applicable party no later than then ten (10) business days following the Closing Date, or if such costs, fees, expenses or other amounts are incurred after the Closing Date but attributable to a period prior to the Closing, ten (10) business days following the date that the applicable party notifies the other party in writing that such costs, fees, expenses or amounts are incurred, with all commissions and fees payable to the Option Holder or payment obligations to the Optionor paid on a pro-rated basis through the Closing Date.

(b) Repack Agreement. As of the Closing, Optionor's obligations under the Repack

Agreement shall terminate insofar as they relate to the Stations and the assets thereof; provided, however, that all costs, fees, expenses, or liabilities of Optionor under the Repack Agreement as they relate to the Stations and other amounts payable by Optionor arising under the Repack Agreement as they relate to the Stations following the Closing but attributable to a period prior to the Closing, shall be reimbursed to the Optionor by the Option Holder no later than ten (10) business days following the date that Optionor notifies Option Holder in writing that such amounts are incurred and; provided, further, that the Repack Agreement shall otherwise remain in force and effect in accordance with its terms with respect to the other stations to which it applies. Notwithstanding the termination of the Repack Agreement as it relates to the Stations, all of Optionor's obligations to remit or assign (or direct the remittance or assignment of) reimbursement amounts from the FCC under Section 6403 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112 96) to Option Holder under the Repack Agreement shall remain in effect.

7. **Post-Closing Covenants.** Notwithstanding anything to the contrary contained in this Agreement, for a period from and after the Closing Date through the second (2<sup>nd</sup>) anniversary of the Closing Date, Optionor shall maintain, and provide Option Holder and its affiliates and its and their officers, directors, employees and advisers reasonable access to, those records of Optionor, and use reasonable best efforts to maintain and provide reasonable access to those records of Optionor, in each case insofar as they relate to the Option Assets that relate to periods prior to the consummation of the Closing, during normal business hours and on at least ten (10) business days' prior written notice (or such shorter time period as necessitated by the urgency of the underlying facts and circumstances). If Optionor shall desire to dispose of any of such books and records prior to the second (2<sup>nd</sup>) anniversary of the Closing Date in accordance with the record retention policies of Optionor in effect, Optionor shall, prior to such disposal, give Option Holder ten (10) business days' prior notice to enable Option Holder, at Option Holder's expense, to segregate and remove such books and records as Option Holder may select, subject to destruction of correspondence and other similar documents in the ordinary course, in accordance with customary retention policies and applicable law.

8. **Other Arrangements.** The parties agree to the certain other arrangements as set forth on Schedule A.

9. **Further Assurances.** Each of the parties hereto agrees to take or cause to be taken such further actions, to execute, acknowledge, seal and deliver or cause to be executed, acknowledged, sealed and delivered such further instruments and documents and to use their reasonable efforts to obtain such requisite consents as any other party may from time to time reasonably request in order to fully effectuate the purposes and fulfill the intent of this Agreement.

10. **Amendment and Modification.** This Agreement may be amended, modified or supplemented only by written agreement of each of Option Holder and Optionor.

11. **Governing Law.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware (other than its conflicts of law provisions).



12. **Severability.** Each and every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall together constitute one document. A party's delivery of a counterpart signature page to this Agreement, as signed by such party, by facsimile, PDF or other electronic means shall be effective as such party's delivery of a manually executed counterpart of this Agreement.

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

15. **Binding Effect.** Each of the covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of their respective heirs, guardians, personal and legal representatives, successors, and permitted assigns.

16. **Construction; Word Usage.** Unless the context otherwise requires, whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, and the masculine gender shall include the neuter and feminine gender, and vice versa. Whenever used in this Agreement, words such as "herein," "hereinafter," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires. The descriptive headings used in this Agreement are inserted for convenience only, and do not constitute a substantive part of this Agreement, and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement as a whole or any provision hereof.

17. **Specific Performance.** In the event of a breach of this Agreement, any non-breaching party hereto may maintain an action for specific performance against the party or parties hereto who are alleged to have breached any of the terms, conditions, representations, warranties, provisions, covenants, or agreements herein contained, and it is hereby further agreed that no objection to the form of action in any proceeding for specific performance of this Agreement shall be raised by any party hereto so that such specific performance of this Agreement may not be obtained by the aggrieved party. Anything contained herein to the contrary notwithstanding, this Section 17 shall not be construed to limit in any manner whatsoever any other rights and remedies that an aggrieved party may have by virtue of any breach of this Agreement.

18. **Expenses.** The parties agree to cover expenses as set forth on Schedule A attached hereto.

19. **Indemnification.** In addition to any and all existing indemnification obligations running from Option Holder to Optionor with respect to the Stations, all of which shall survive Closing, Option Holder shall indemnify, defend, protect and hold harmless Optionor, its direct or indirect members, owners, investors and affiliates and their respective employees, officers, directors and agents, and the successors and assigns of any of them, from and against and shall reimburse them for, (x) any and all losses, claims, damages, judgments and liabilities (including

reasonable, documented and out-of-pocket costs and expenses) as they are incurred by Optionor arising from (i) any breach by Option Holder of any provision of this Agreement or any claims asserted against Optionor by Buyer or any other third-party as result of this Agreement or any of the actions or transactions contemplated hereby (ii) any actual or claimed failure by Buyer to pay or perform any obligation to be paid or performed by it after the Closing, and (iii) Buyer's providing services to WQMY during any Interim Period, and (y) any reasonable, documented and out-of-pocket costs or expenses incurred by Optionor in enforcing this Agreement.

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

21. **Authority.** Each party hereto represents and warrants that it has the requisite legal authority to enter into, deliver and perform its obligations under this Agreement.

[Remainder of page intentionally left blank]



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

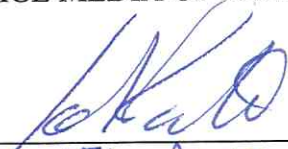
SINCLAIR TELEVISION GROUP, INC.

By: 

Name: *Lucy Rutishauser*

Title: *SVP CFO*

NEW AGE MEDIA OF PENNSYLVANIA,  
LLC

By: 

Name: John Parent

Title: CEO

NEW AGE MEDIA OF PENNSYLVANIA  
LICENSE, LLC

By: 

Name: John Parent

Title: CEO