

**ASSET PURCHASE AGREEMENT**

**dated as of July 31, 2007**

**among**

**GORMALLY BROADCASTING, LLC**

**WGGB, INC.,**

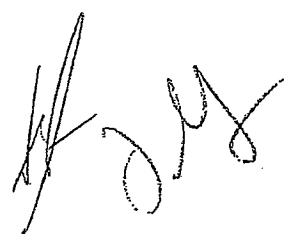
**and**

**WGGB LICENSEE, LLC**

**and**

**Solely with respect to Section 10.6,**

**SINCLAIR BROADCAST GROUP, INC.**

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## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "Agreement") is dated as of July 31, 2007, among Gormally Broadcasting, LLC, a Massachusetts limited liability company ("**Buyer**"), WGGB, Inc., a Maryland corporation ("**WGGB**"), WGGB Licensee, LLC, a Maryland limited liability company ("**Licensee**" and together with WGGB, "**Sellers**") and Sinclair Broadcast Group, Inc. ("**SBGI**") solely with regard to its obligations under Section 10.6 of the Agreement.

### RECITALS:

**WHEREAS**, Sellers own and operate television broadcast station WGGB-TV in Springfield, Massachusetts (the "Station") and own certain assets described in more detail in Section 2 of this Agreement used in connection with the operation of the Station; and

**WHEREAS**, the parties hereto desire to enter into this Agreement to provide for the sale, assignment, and transfer by Sellers to Buyer of the Assets (as defined below) as provided by the terms and conditions of this Agreement.

### AGREEMENTS:

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

#### SECTION 1: CERTAIN DEFINITIONS

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

"**ABC Affiliation Agreement**" means that certain Primary Television Affiliation Agreement between American Broadcasting Companies, Inc. ("ABC") and WGGB dated September 29, 2006.

"**Accounts Receivable**" means the rights of Sellers as of the Closing Date to payment in cash for the sale of advertising time and other goods and services performed or provided by the Station prior to the Closing Date.

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

and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner.

**"Assets"** means the assets to be transferred or otherwise conveyed by Sellers to Buyer under this Agreement, as specified in Section 2.1.

**"Assumed Contracts"** means (a) all Contracts set forth on Schedule 3.7, (b) Contracts entered into prior to the date of this Agreement with advertisers for the sale of advertising time or production services for cash, (c) Contracts entered into by any Seller prior to the date of this Agreement which are not required to be included on Schedule 3.7 hereto, (d) any Contracts entered into by Sellers between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume, and (e) other contracts entered into by Sellers between the date of this Agreement and the Closing Date in compliance with Section 5.

**"Closing"** means the consummation of the sale and acquisition of the Assets pursuant to this Agreement in accordance with the provisions of Section 8.

**"Closing Date"** means the date the Closing occurs.

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

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

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

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

**"Contracts"** means all contracts, consulting agreements, leases, non-governmental licenses and other agreements (including leases for personal or real property and employment agreements), written or oral (including any amendments and other modifications thereto) to which Sellers are a party or that are binding upon Sellers, that relate to or affect the Assets or the business or operations of the Station, and that either (a) are in effect on the date of this Agreement, including, without limitation, those listed on Schedule 3.7 hereto, or (b) are entered into by any Seller between the date of this Agreement and the Closing Date.

**"Effective Time"** means 12:01 a.m., Eastern time, on the Closing Date.

**"Environmental Laws"** shall mean and include, but not be limited to, any applicable

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

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

**"Excluded Tangible Personal Property"** means (i) all tangible personal property owned or held by Sellers other than such tangible personal property listed on Schedule 3.6 hereto, (ii) any assets used primarily in the operation of any television broadcast station owned, operated or, programmed by Sellers or any Affiliate of Sellers, other than the Station, and (iii) any tangible personal property located at 10706 Beaver Dam Road, Hunt Valley, Maryland 21030.

**"FCC"** means the Federal Communications Commission.

**"FCC Consent"** means action by the FCC granting its consent to the assignment of the FCC Licenses by Sellers to Buyer or a wholly owned subsidiary of Buyer (the "License Subsidiary") as contemplated by this Agreement.

**"FCC Licenses"** means those licenses, permits and authorizations issued by the FCC to Sellers, and all applications and requests pending before the FCC, in connection with the business and operations of the Station.

**"Final Order"** shall mean an action by the FCC upon any application for FCC Consent filed by the parties hereto for FCC consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action, no protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending, and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired.

**"Intangibles"** means all copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and

interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by Sellers or under which Sellers are licensed or franchised and that are used in the business and operations of the Station, together with any additions thereto between the date of this Agreement and the License Closing Date, but excluding any intangibles as set forth on Schedule 3.8 hereto..

**"Judgment"** means any judgment, writ, order, injunction, determination, award, or decree of or by any court, judge, justice, or magistrate, including any bankruptcy court or judge, and any order by any Governmental Authority.

**"Knowledge"** or any derivative thereof with respect to the Sellers means, exclusively, the actual Knowledge of the President and Chief Executive Officer or the Chief Financial Officer of Sinclair Broadcast Group, Inc. ("SBG") or the Group Manager, Business Manager or Chief Engineer of the Station.

**"Laws"** means any federal, state, local, municipal, foreign, international, multi-national, self-regulatory organization, or other administrative order, constitution, law, ordinance, principle of common law, rule, regulation, statute, treaty, by-laws, or the like.

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

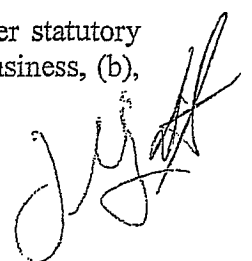
**"Lien"** means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, easement, covenant, charge, or security interest in or on such asset.

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

**"Material Adverse Effect"** means a material adverse effect on the business, assets or financial condition of the Station, taken as a whole, or on the ability of Sellers to sell or Buyer to acquire the Assets pursuant to this Agreement, except for any such material adverse effect resulting from (a) general economic conditions applicable to the television broadcast industry, (b) general conditions in the market in which the Station operates, or (c) circumstances that are not likely to recur and either have been substantially remedied or can be substantially remedied without substantial cost or delay.

**"Owned Real Property"** means all real property and all buildings and other improvements thereon and appurtenant thereto owned by Sellers and used in the business or operations of the Station.

**"Permitted Encumbrances"** means (a) encumbrances of a landlord, or other statutory lien not yet due and payable, or a landlord's liens arising in the ordinary course of business, (b),

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(b) encumbrances arising in connection with equipment or maintenance financing or leasing under the terms of the Contracts (which contracts have been made available to Buyer). (c) encumbrances for Taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Sellers' books in accordance with generally accepted accounting principles, or (d) non-monetary encumbrances on the Owned Real Property that do not materially interfere with the use thereof as currently used.

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

**"Real Property"** means all real property and all buildings and other improvements thereon and appurtenant thereto, whether or not owned, leased or held by Sellers and used in the business or operations of the Station.

**"Real Property Interests"** means all interests in Owned Real Property, including fee estates, leaseholds and subleaseholds, purchase options, easements, licenses, rights to access, and rights of way, and all buildings and other improvements thereon and appurtenant thereto, owned or held by Sellers that are used in the business or operations of the Station, together with any additions, substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date.

**"Tangible Personal Property"** means all machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property owned or held by Sellers that is used in the conduct of the business or operations of the Station, together with any additions, substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date, but excluding the Excluded Tangible Personal Property.

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

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

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

Balance Sheet Date

Section 3.10

Benefit Arrangement

Section 3.14 (a)(v)



Benefit Plans	Section 3.14(a)(ii)
Buyer	Preamble
Buyer's Plan	Section 4.8
Claimant	Section 10.4
Collection Period	Section 6.7(a)
Deferred Consent	Section 5.11(b)
Employees	Section 3.14(a)
Environmental Laws	Section 1.1
Estimated Purchase Price	Section 2.4(a)
Excluded Tangible Personal Property	Section 1.1
Financial Statements	Section 3.10
Indemnity Cap	Section 10.5
Indemnifying Party	Section 10.4
Licensee	Preamble
Multiemployer Plan	Section 3.14(a)(ii)
Pension Plan	Section 3.14(a)(iii)
Purchase Price	Section 2.3
SBG	Section 1.1
Sellers	Preamble
Station	Recitals
Threshold Amount	Section 10.5
Title Commitment	Section 6.15
Transferred Employees	Section 6.10
Welfare Plan	Section 3.14(a)(i)

1.3. **Rules of Construction.** Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word "including" is not limiting and the word "or" is not exclusive. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a Section, Exhibit, or Schedule is a reference to a Section of this Agreement, an Exhibit, or a Schedule hereto, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Schedules and Exhibits to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

## SECTION 2: SALE AND TRANSFER OF ASSETS; ASSET VALUE

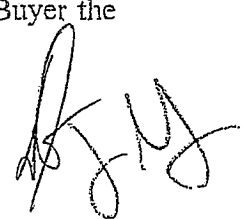
### 2.1. Agreement to Purchase and Sell.

Subject to the terms and conditions set forth in this Agreement, the Sellers hereby agree to sell, transfer, convey, assign, and deliver to Buyer on the Closing Date, and Buyer agrees to acquire all of Sellers' right, title, and interest in the tangible and intangible assets used in connection with the conduct of the business or operations of the Station, but excluding the Excluded Assets, free and clear of any Liens except for Permitted Encumbrances), including the following (collectively, the "Assets"):

- (i) the Tangible Personal Property;
- (ii) the Assumed Contracts;
- (iii) the Licenses, specifically including the FCC Licenses;
- (iv) the Real Property Interests;
- (v) the Intangibles, including "WGGB," "WGGB-TV", "News 40" and "ABC40" and any goodwill of the Station related to the Assets;
- (vi) all of the Sellers' proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints, and schematics, all filings with the FCC, and all records required by the FCC to be kept by the Station, in each case, to the extent relating to the business and operation of the Station;
- (vii) all choses in action of the Sellers relating to the Station to the extent they relate to the period after the Effective Time; and
- (viii) all books and records relating to the business or operations of the Station.

### 2.2. Excluded Assets. The Assets shall exclude the following:

- (a) Sellers' cash, cash equivalents and deposits, all interest payable in connection with any such items and rights in and to bank accounts, marketable and other securities and similar investments of Sellers;
- (b) any insurance policies, promissory notes, amounts due to Sellers from employees, bonds, letters of credit, certificates of deposit, or other similar items, and any cash surrender value in regard thereto; provided, that in the event Sellers are obligated to assign to Buyer the





proceeds of any such insurance policy at the time the Closing occurs under Section 6.3. such proceeds shall be included in the Assets;

(c) any pension, profit-sharing, or employee benefit plans, including all of Sellers' interest in any Welfare Plan, Pension Plan or Benefit Arrangement (each as defined in Section 3.14(a));

(d) all Tangible Personal Property disposed of or consumed in the ordinary course of business as permitted by this Agreement;

(e) all Tax Returns and supporting materials, all original financial statements and supporting materials, all books and records that Sellers are required by law to retain, all of Sellers' organizational documents, corporate books and records (including minute books, operating agreements and partnership agreements) and originals of account books of original entry, all records of Sellers relating to the sale of the Assets and all records and documents related to any assets excluded pursuant to this Section 2.2;

(f) any interest in and to any refunds of federal, state, or local franchise, income, or other taxes for periods (or portions thereof) ending on or prior to the Closing Date;

(g) all Accounts Receivable;

(h) all rights and claims of Sellers whether mature, contingent or otherwise, against third parties relating to the Assets of the Station, whether in tort, contract or otherwise, other than rights and claims against third parties relating to the Assets which have as their basis loss, damage or impairment of or to any of the Assets and which loss, damage or impairment has not been restored or repaired prior to the Closing in which any of the Assets which has been so damaged or impaired is being acquired by Buyer (or in the case of a lost asset, that would have been acquired but for such loss);

(i) any Contracts which are not Assumed Contracts;

(j) all of each Sellers' deposits and prepaid expenses; provided, any deposits and prepaid expenses shall be included in the Assets to the extent that Sellers receive a credit therefor in the proration of the Purchase Price pursuant to Section 2.3(b);

(k) all rights of Sellers under or pursuant to this Agreement (or any other agreements contemplated hereby);

(l) all rights to the names Sinclair and Sinclair Broadcast Group, and any logo or variation thereof and goodwill associated therewith;

(m) the Excluded Tangible Personal Property;

(n) all assets owned by the Sellers and used in connection with any television broadcast stations other than the Station;

(o) all shares of capital stock, partnership interests, interests in limited liability companies or other equity interest, including, but not limited to, any options, warrants or voting trusts relating thereto which are owned by Sellers: and

(p) all assets set forth on Schedule 2.2 hereto.

### 2.3. Purchase Price Calculation.

(a) Purchase Price. Subject to the adjustments and prorations as provided by this Agreement, the purchase price of the Assets (the "Purchase Price") shall be Twenty One Million One Hundred Fifty Thousand Dollars (\$21,150,000.00) in the aggregate.

(b) Escrow Deposit. Concurrently with the execution of this Agreement, Buyer has delivered to WashingtonFirst Bank, as Escrow Agent (the "Escrow Agent") the sum of Five Hundred Thousand Dollars (\$500,000) (the "First Escrow Deposit") and no later than August 3, 2007 Buyer shall deliver to the Escrow Agent an additional sum of One Million Dollars (\$1,000,000) (the "Second Escrow Deposit") to be held as an earnest money deposit (the First Escrow Deposit and the Second Escrow Deposit sometimes referred to herein collectively as the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith in the form attached as Exhibit A hereto. The Earnest Money Deposit shall be paid to Seller as partial payment of the cash Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in accordance with the provisions of Section 9.3 and 9.4 of this Agreement.

(c) Prorations. The Purchase Price shall be prorated and adjusted pursuant to this Section 2.3(c). The Purchase Price shall be increased or decreased as required to effectuate the proration of revenues and expenses. All revenues and all expenses arising from the operation of the Station relating to the Assets, as applicable, including tower rental, business and license fees, FCC regulatory fees, utility charges, real and personal property taxes and assessments levied against the Assets, applicable copyright or other fees, sales and service charges, payments due under film or programming license agreements, taxes (except for taxes arising from the transfer of the Assets under this Agreement), and vacation and personal leave pay shall be prorated between Buyer and Sellers as of the Closing Date, as applicable, in accordance with the principle that Sellers shall receive all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the operation of the Station for the period prior to the Effective Time. Buyer shall receive all revenues and shall be responsible for all expenses, costs, and obligations allocable to the operation of the Station for the period after the Effective Time, subject to the following:

(i) There shall be no adjustment for, and Sellers shall remain solely liable with respect to, any Contracts not included in the Assumed Contracts and any other obligation or liability not being assumed by Buyer in accordance with Section 2.2. An adjustment and proration shall be made in favor of Buyer to the extent that Buyer assumes any liability under any Assumed Contract to refund (or to credit against payments otherwise due) any security

deposit or similar prepayment paid to Sellers by any lessee or other third party. An adjustment and proration shall be made in favor of Sellers to the extent Buyer receives the right to receive a refund (or to a credit against payments otherwise due) under any Assumed Contract to any security deposit or similar pre-payment paid by or on behalf of Sellers.

(ii) An adjustment and proration shall be made in favor of Buyer to the extent that the amount of any advertising time remaining to be run by the Station under its trade or barter agreements as of the Effective Time exceeds by more than Twenty Thousand Dollars (\$20,000.00) the fair market value of the goods or services to be received by the Station as of the Effective Time. An adjustment and proration shall be made in favor of Sellers to the extent that the fair market value of the goods or services to be received by the Station under its trade or barter agreements as of the Effective Time exceeds by more than Twenty Thousand Dollars (\$20,000.00) the amount of any advertising time remaining to be run by the Station as of the Effective Time.

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

(iv) There shall be no proration for program barter.

(d) **Manner of Determining Adjustments.** The Purchase Price, taking into account the adjustments and prorations pursuant to Section 2.3(c), will be determined in accordance with the following procedures:

(i) Sellers shall prepare and deliver to Buyer at least five (5) business days before the Closing Date, a preliminary settlement statement which shall set forth Sellers' good faith estimate of the adjustments to the Purchase Price under Section 2.3(c) with respect to the Station. The preliminary settlement statement shall (A) contain all information reasonably necessary to determine the adjustments to the Purchase Price under Section 2.3(c) as to the Station, to the extent such adjustments can be determined or estimated as of the date of the preliminary settlement statement, and such other information as may be reasonably requested by Buyer, and (B) be certified by Sellers to be true and complete to Sellers' Knowledge as of the date thereof.

(ii) Not later than sixty (60) days after the Closing Date, Buyer will deliver to Sellers a statement setting forth Buyer's determination of the final proration amounts and Purchase Price adjustments, which (A) shall contain all information reasonably necessary to determine the final adjustments to the Purchase Price under Section 2.3(c) and such other information as may be reasonably requested by Sellers, and (B) shall be certified by Buyer to be true and complete to Buyer's knowledge as of the date thereof. If Sellers dispute the amount of such prorations and adjusted Purchase Price determined by Buyer, they shall deliver to Buyer within thirty (30) days after receipt of Buyer's statement a statement setting forth their determination of the amount of such prorations and adjusted Purchase Price. If Sellers notify Buyer of their acceptance of Buyer's statement, or if Sellers fail to deliver their statement within

the thirty (30) day period specified in the preceding sentence. Buyer's determination of the Purchase Price shall be conclusive and binding on the parties as of the last day of the thirty (30) day period.

(iii) Buyer and Sellers shall use good faith efforts to resolve any dispute involving the determination of the Purchase Price. If the parties are unable to resolve the dispute within forty five (45) days following the delivery of all of Buyer's statements to be provided pursuant to Section 2.3(d)(ii), Buyer and Sellers shall jointly designate an independent certified public accounting firm which has not regularly provided services to either the Buyer or Sellers in the last three (3) years, who shall be knowledgeable and experienced in the operation of television broadcasting stations, to resolve the dispute. If the parties are unable to agree on the designation of an independent certified public accounting firm, the selection of the accounting firm to resolve the dispute shall be submitted to arbitration to be held in Baltimore, Maryland, in accordance with the commercial arbitration rules of the American Arbitration Association. The accounting firm's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of this accounting firm, and, if necessary, for arbitration to select such accountant, shall be divided equally between the parties.

2.4. **Payment of Purchase Price.** The Purchase Price shall be paid by Buyer to Sellers as follows:

(a) **Payment of Estimated Purchase Price.** The sum of Twenty One Million Dollars (\$21,000,000), adjusted by the estimated adjustments pursuant to Section 2.3(b), as further set forth in Section 2.3(c)(i), is referred to as the "Estimated Purchase Price". At the Closing, Buyer shall pay or cause to be paid to Sellers the Estimated Purchase Price by wire transfer of same-day funds pursuant to wire transfer instructions furnished by Sellers to Buyer at least two business days before the Closing Date.

(b) **Payments to Reflect Adjustments.** The Purchase Price as finally determined pursuant to Section 2.3(c) shall be paid as follows:

(i) If the Purchase Price as finally determined pursuant to Section 2.3(c) exceeds the Estimated Purchase Price, Buyer shall pay to Sellers, in immediately available funds within five (5) business days after the date on which the Purchase Price is determined pursuant to Section 2.3(c), the difference between the Purchase Price and the Estimated Purchase Price.

(ii) If the Purchase Price as finally determined pursuant to Section 2.3(c) is less than the Estimated Purchase Price, Sellers shall pay to Buyer, in immediately available funds within five (5) business days after the date on which the Purchase Price is determined pursuant to Section 2.3(c), the difference between the Purchase Price and the Estimated Purchase Price.

2.5 **Assumption of Liabilities and Obligations.** Buyer shall assume and undertake to pay, discharge, and perform only the obligations and liabilities of the Sellers with respect to the Assets to the extent that either (i) the obligations and liabilities arise or relate to the time after the Effective Time, or (ii) to the extent that the Purchase Price is reduced pursuant to Section 2.3(c)

as a result of the proration of such obligations and liabilities... Buyer shall not assume any other obligations or liabilities of Sellers, including, without limitation: (1) any obligation or liability arising or accruing or relating to the period before the Effective Time in connection with the business or operations of the Station, including obligations or liabilities with respect to any Excluded Asset, and any obligations or liabilities under any Contract not included in the Assumed Contracts, (2) any obligations or liabilities under the Assumed Contracts relating to the period prior to the Effective Time, subject to Section 5.9 hereof, except insofar as an adjustment therefor is made in favor of Buyer under Section 2.3(c), (3) any claims or pending litigation or proceedings relating to the operation of the Station prior to the Closing Date, (4) any obligations or liabilities of Sellers under any employee pension, retirement, or other benefit plans, or otherwise with respect to Sellers' employees arising or accruing before the Effective Time (5) all taxes in connection with the operation of the Station prior to the Effective Time.

2.6 **Treatment of Capital Leases.** All obligations of Sellers under capital leases, if any, shall be treated as debt and the financial responsibility of same shall be retained by Sellers.

### **SECTION 3: REPRESENTATIONS AND WARRANTIES OF SELLERS**

Each Seller represents and warrants to Buyer as follows:

3.1. **Organization and Authority of Sellers.** Each Seller is a corporation, limited liability company, or limited partnership (as applicable), duly organized, validly existing, and in good standing under the laws of the State of Maryland. Each Seller has the requisite corporate power and authority (or other appropriate power and authority based on the structure of such Seller) to own, lease, and operate its properties, to carry on its business in the places where such properties are now owned, leased, or operated and such business is now conducted, and to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms. Each Seller is duly qualified and in good standing in Maryland, and to the extent required by law, qualified as a foreign entity to do business in the Commonwealth of Massachusetts.

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

3.3. **Absence of Conflicting Agreements; Consents.** Subject to obtaining the Consents listed on Schedule 3.3, 3.5 and 3.7 the execution, delivery, and performance by each Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party; (b) will not conflict with any provision of the Articles of Incorporation, Bylaws, or other organizational documents of Sellers; (c) will not conflict with, result in a breach of, or constitute a default under any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any

court or governmental instrumentality; (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license, or permit to which any Seller is a party or by which any Seller may be bound legally; and (e) will not create any Lien (other than Permitted Encumbrances) of any nature whatsoever upon any of the Assets. Except for the FCC Consent provided for in Section 6.1 and the other Consents described on Schedule 3.3, 3.5 and 3.7, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (a) to consummate this Agreement and the transactions contemplated hereby, or (b) to permit Sellers to transfer and convey the Assets to Buyer.

3.4. **Governmental Licenses.** Schedule 3.4 includes a true and complete list of the FCC Licenses and Licenses. Sellers have made available to Buyer true and complete copies of the FCC Licenses and Licenses (including any amendments and other modifications thereto).

(a) The FCC Licenses have been validly issued, and the Sellers, as listed on Schedule 3.4, are the authorized legal holders of the FCC Licenses listed on Schedule 3.4. The Licenses and the FCC Licenses listed on Schedule 3.4 comprise all of the material licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct in all material respects of the business and operations of the Station in the manner and to the full extent they are now conducted. Except as otherwise disclosed on Schedule 3.4, none of the Licenses including the FCC Licenses is subject to any unusual or special restriction or condition that limits materially the full operation of the Station as now operated.

(b) Except as set forth on Schedule 3.4, the FCC Licenses are in full force and effect, are valid for their current license term, are unimpaired by any acts or omissions of Sellers, and are free and clear of any restrictions which might limit the full operation of the Station in the manner and to the full extent as it is now operated (other than restrictions contained on the face of the licenses themselves or applicable to the television broadcast industry generally).

(c) Except as listed on Schedule 3.4 hereto, there are no applications, proceedings, or complaints pending or, to Sellers' Knowledge, threatened with respect to Sellers, the FCC Licenses or the business or operation of the Station (other than rulemaking proceedings that apply to the television broadcasting industry generally) and Sellers are not aware of any facts which are likely to result in any proceeding seeking the revocation, adverse modification, or suspension of any of the FCC Licenses, the denial of any pending applications related to the FCC Licenses, the issuance of any cease and desist order related to the FCC Licenses, or the imposition of any adverse administrative orders or fines, forfeitures or sanctions by the FCC with respect to the FCC Licenses.

Except as disclosed on Schedule 3.4 hereto, Sellers are not aware of any reason why the FCC Licenses might not be renewed in the ordinary course for a full term without material qualifications or of any reason why any of the FCC Licenses might be revoked.

(d) Except as disclosed on Schedule 3.4 hereof, the Station and its transmission facilities are operating in material compliance with the FCC Licenses and the FCC rules, and Sellers shall take all steps reasonably necessary to insure continued compliance therewith pending the Closing. The Station is currently transmitting its analog and licensed digital broadcast signals, and shall on the Closing Date be transmitting its analog and licensed digital broadcast signal, at no less than eighty percent (80%) of its maximum authorized power.

(e) Seller has filed with the FCC all material reports or applications (including payment of any fee, fine or forfeiture due to the FCC) with respect to the FCC Licenses and the Stations. Sellers have complied in all material respects with applicable FCC rules pertaining to each Station's public file. To Seller's Knowledge, all such files required by the FCC are maintained at the Station's main studio in accordance with FCC rules.

(f) Except as disclosed on Schedule 3.4 hereof, the Station and the Assets are in compliance in all material respects with all tower registration, painting and lighting requirements of the FCC and the Federal Aviation Administration (the "FAA").

(g) To Sellers' Knowledge, there are no facts relating to Sellers or their Affiliates which, under the Communications Act of 1934, as amended, or the existing rules of the FCC, would disqualify the Licensee from obtaining FCC Consent in the ordinary course, or assigning the FCC Licenses to Buyer.

(h) Sellers have either elected "must carry" rights or have entered into retransmission consent agreements with each material cable system operating in the Springfield Designated Market Area (the "DMA"), and to Sellers' Knowledge the Station's programs are retransmitted on each such cable system. Schedule 3.4 identifies for each material cable system operating in the DMA whether such carriage is "must carry" or by retransmission consent, and if retransmission consent, the term of such agreement. To Sellers' Knowledge, except as set forth on Schedule 3.4, since January 1, 2006, no cable system operating within the DMA has rejected the Station's signal on technical grounds, refused to carry Station programming or filed any action with respect thereto. Schedule 3.4 also identifies to Sellers' Knowledge any cable system operating outside the DMA which carries the Station's programming pursuant to a retransmission consent agreement.

(i) Sellers have entered into retransmission consent agreements with the direct broadcasting satellite ("DBS") systems identified on Schedule 3.4.

3.5. **Real Property.** Schedule 3.5 contains a complete description of all Real Property Interests (including street address, owner, and Sellers' use thereof). The Real Property Interests listed on Schedule 3.5 comprise all interests in real property necessary to conduct the business and operations of the Station as now conducted. Except as described on Schedule 3.5, Sellers have good fee simple title to all fee estates included in the Real Property Interests and good title to all other Real Property Interests, in each case free and clear of all Liens, except for Permitted

Encumbrances. Each leasehold or subleasehold interest included on Schedule 3.5 is legal, valid, binding, enforceable, and in full force and effect. Neither the Seller party thereto or, to Sellers' Knowledge, any other party thereto, is in default, violation, or breach under any lease or sublease, and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a default, violation, or breach thereunder. Sellers have not received any notice of a default, offset, or counterclaim under any lease or sublease with respect to any of the Real Property Interests. Sellers have legal and practical access to all of the Owned Real Property. Except as otherwise disclosed on Schedule 3.5, all towers, guy anchors, ground radials, and buildings and other improvements included in the Assets are, to Sellers' Knowledge, located entirely on the Owned Real Property. Except as described on Schedule 3.5, all Owned Real Property (including the buildings, structures or other improvements thereon) (a) is in good condition and repair, ordinary wear and tear excepted, and has been maintained according to industry standards, (b) is available for immediate use in the conduct of the business and operations of the Station, and (c) complies in all material respects with all applicable material building or zoning codes and the regulations of any governmental authority having jurisdiction, except to the extent that the current use by Sellers, while permitted, constitutes or would constitute a "nonconforming use" under current zoning or land use regulations. No eminent domain or condemnation proceedings are pending or, to Sellers' Knowledge, threatened with respect to any Real Property Interests.

3.6. **Tangible Personal Property.** A list of Tangible Personal Property comprising all material items of tangible personal property, other than the Excluded Tangible Personal Property is attached hereto as Schedule 3.6. Except for the Excluded Assets (including such assets listed on Schedule 2.2 hereto) the Tangible Personal Property listed on Schedule 3.6 is all of the tangible personal property necessary to conduct the business and operations of the Station as now conducted. Except as described on Schedule 3.6, Sellers own and have good title to each item of Tangible Personal Property and none of the Tangible Personal Property owned by Sellers is subject to any Lien, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, each material item of Tangible Personal Property is in good operation condition and repair and is available for immediate use in the business and operations of the Station. All material items of transmitting and studio equipment included in the Tangible Personal Property (a) have been maintained in a manner consistent with generally accepted standards of good engineering practice, and (b) will permit the Station to operate in accordance with the material terms of the FCC Licenses and the rules and regulations of the FCC and in all material respects with all other applicable federal, state and local statutes, ordinances, rules and regulations. For purposes of this Section 3.6 only, a material item of Tangible Personal Property shall be any item with an original cost of \$5000 or more.

3.7. **Contracts.** Schedule 3.7 is a true and complete list of all Assumed Contracts which either (a) have a remaining term (after taking into account any cancellation rights of Sellers) of more than one year after the date hereof, or (b) provide revenues or require expenditures in excess of Twenty Thousand Dollars (\$20,000.00) in any calendar year after the date hereof, except contracts with advertisers for production or the sale of advertising time on the Station for cash that may be canceled by Sellers without penalty on not more than ninety (90) days' notice. Sellers have delivered or made available to Buyer true and complete copies of all written Assumed Contracts and true and complete descriptions of all oral Assumed Contracts (including any amendments and other modifications to such Contracts). Other than the Assumed Contracts



listed on Schedule 3.5 and Schedule 3.7 (including the Contracts listed on Schedule 3.7 which are marked as not being Assumed Contracts), Sellers require no material contract, lease, or other agreement to enable them to carry on their business in all material respects as now conducted. All of the Assumed Contracts are in full force and effect and are valid, binding, and enforceable in accordance with their terms except as the enforceability of such Assumed Contracts may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. Notwithstanding the foregoing, or any other provision of this Agreement, Sellers expressly do not warrant that they will convey the "retransmission consent" agreements identified on Schedule 3.7. Neither the Seller party thereto or, to Sellers' Knowledge, any other party thereto, is in default, violation, or breach in any material respect under any Assumed Contract, and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a default, violation, or breach in any material respect thereunder. Except as disclosed on Schedule 3.7 or with respect to the retransmission consent agreements, other than in the ordinary course of business, to Sellers' Knowledge, no party to any Assumed Contract has any intention to (a) terminate such Assumed Contract or amend the terms thereof, (b) refuse to renew the Contract upon expiration of its term, or (c) renew the Assumed Contract upon expiration only on terms and conditions that are more onerous than those now existing. Except for the need to obtain the Consents listed on Schedule 3.7, the exchange and transfer of the Assets in accordance with this Agreement will not affect the validity, enforceability, or continuation of any of the Assumed Contracts.

3.8. **Intangibles.** Schedule 3.8 is a true and complete list of all Intangibles (exclusive of Licenses listed on Schedule 3.4) that are required to conduct the business and operations of the Station as now conducted, and except as set forth on Schedule 3.8, all such Intangibles are assignable and will be conveyed to Buyer on the Closing Date. Except as set forth on Schedule 3.8, Sellers own or have a valid license to use all of the Intangibles listed on Schedule 3.8. Other than with respect to matters generally affecting the television broadcasting industry and not particular to Sellers and, except as set forth on Schedule 3.8, Sellers have not received any notice or demand alleging that Sellers are infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person, and there is no claim or action pending or, to Sellers' Knowledge, threatened with respect thereto. To Sellers' Knowledge, except as set forth on Schedule 3.8, no other Person is infringing upon Sellers rights or ownership interest in the Intangibles.

3.9. **Title to Properties.** Except as disclosed on Schedule 3.5 or 3.6, Sellers have good and marketable title to the Assets subject to no Liens of any kind or nature except for Permitted Encumbrances.

3.10. **Financial Statements.** Sellers have furnished Buyer with true and complete copies of unaudited financial statements of the Station containing a balance sheet and statement of income, as, at, and for the fiscal year ended December 31, 2006 and for the three month period ended March 31, 2007 (the "Balance Sheet Date") (collectively, the "Financial Statements"). The Financial Statements have been prepared from the books and records of Sellers and have been prepared in a manner consistent with the audited Financial Statements of SBG and except as

disclosed therein, in accordance with generally accepted accounting principals, except for the absence of footnotes and certain year-end adjustments. Except as set forth on Schedule 3.10, the Financial Statements accurately reflect the books, records, and accounts of Sellers, present fairly and accurately the financial condition of the Station as of December 31, 2006 and as of March 31, 2007 and the results of operations for the periods then ended, and the Financial Statements do not understate in any material respect the revenues or normal and customary costs and expenses of conducting the business or operations of the Station in any material respect as currently conducted by Sellers or otherwise materially inaccurately reflects the operations of the Station.

3.11. **Taxes.** Except as set forth on Schedule 3.11, Sellers have filed or caused to be filed all Tax Returns that are required to be filed with respect to their ownership and operation of the Station and have paid or caused to be paid all Taxes shown on those returns or on any Tax assessment received by them to the extent that such Taxes have become due, or have set aside on their books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. There are no legal, administrative, or other Tax proceedings presently pending and, to Sellers' Knowledge, there are no grounds existing pursuant to which Sellers are or could be made liable for any Taxes, the liability for which could extend to Buyer as transferee of the business of the Station.

3.12. **Insurance.** Schedule 3.12 is a true and complete list of all insurance policies of or covering the Assets or the Station. All policies of insurance listed on Schedule 3.12 are in full force and effect as of the date hereof. During the past three (3) years, no insurance policy of Sellers or the Station has been canceled by the insurer and, except as set forth on Schedule 3.12, no application of Sellers for insurance has been rejected by any insurer.

3.13. **[Intentionally Omitted].**

3.14. **Personnel and Employee Benefits.**

(a) **Employees and Compensation.** Schedule 3.14 contains a true and complete list of all employees of Sellers employed at the Station as of January 1, 2007 and their respective compensation during 2006 and time of service with Sellers (including any prior service which Sellers have credited to such employees). Schedule 3.14 also contains a true and complete list of all employee benefit plans or arrangements covering the employees employed at the Station (the "Employees"), including, with respect to the Employees, any:

(i) "Employee welfare benefit plan," as defined in Section 3(1) of ERISA, that is maintained or administered by Sellers or to which Sellers contribute or are required to contribute (a "Welfare Plan");

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

(iii) "Employee pension benefit plan," as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), to which Sellers contribute or are required to contribute (a "Pension Plan");

(iv) Employee plan that is maintained in connection with any trust described in Section 501(c)(9) of the Internal Revenue Code of 1986, as amended; and

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

(b) **Pension Plans.** Except as set forth on Schedule 3.14, Sellers do not sponsor, maintain, or contribute to any Pension Plan other than the Sinclair Broadcast Group 401(k) Profit Sharing Plan. Each Pension Plan complies currently and has been maintained in substantial compliance with its terms and, both as to form and in operation, with all material requirements prescribed by any and all material statutes, orders, rules, and regulations that are applicable to such plans, including ERISA and the Code, except where the failure to do so will not have a Material Adverse Effect.

(c) **Welfare Plans.** Each Welfare Plan complies currently and has been maintained in substantial compliance with its terms and, both as to form and in operation, with all material requirements prescribed by any and all material statutes, orders, rules, and regulations that are applicable to such plans, including ERISA and the Code, except where the failure to do so will not have a Material Adverse Effect. Sellers do not sponsor, maintain, or contribute to any Welfare Plan that provides health or death benefits to former employees of the Station other than as required by Section 4980B of the Code or other applicable laws.

(d) **Benefit Arrangements.** Each Benefit Arrangement has been maintained in substantial compliance with its terms and with the material requirements prescribed by all statutes, orders, rules, and regulations that are applicable to such Benefit Arrangement, except where the failure to do so will not have a Material Adverse Effect. Except for those employment agreements listed on Schedule 3.7, Sellers have no written contract prohibiting the termination of any Employee.

(e) **Multiemployer Plans.** Except as disclosed on Schedule 3.14, Sellers have not at any time been a participant in any Multiemployer Plan.

(f) **Delivery of Copies of Relevant Documents and Other Information.** Sellers have delivered or made available to Buyer true and complete copies of each of the following documents:

(i) each Welfare Plan and Pension Plan (and, if applicable, related trust agreements) and all amendments thereto and written descriptions thereof that have been distributed to Employees, all annuity contracts, or other funding instruments; and

(ii) each Benefit Arrangement and written descriptions thereof that have been distributed to Employees and complete descriptions of any Benefit Arrangement that is not in writing.

(g) **Labor Relations.** Schedule 3.14 sets forth all collective bargaining agreements and written or oral employment agreements with Employees. With respect to the Employees, Except as set forth on Schedule 3.14, Sellers have complied in all material respects with all Laws relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and have not received any notice alleging that any Seller has failed to comply materially with any such Laws. Except as set forth on Schedule 3.14(g), (i) no claims or proceedings are pending or, to Sellers' Knowledge, threatened, between any Seller and any Employee (singly or collectively) that relate to the Station, including any legal action, governmental investigation or other legal or administrative proceeding, or any order, decree or judgment against or relating to the Employees, including unfair labor practice charge, discrimination charge or claim, or OSHA matter, and (ii) there is no strike, picketing, work slow down, written grievance, arbitration, or other labor dispute or controversy or proceeding pending or to Sellers' Knowledge, threatened against Sellers relating to the Employees.

3.15. **Claims and Legal Actions.** Except as disclosed on Schedule 3.14 or Schedule 3.15 and except for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Sellers, as of the date hereof and as of the Closing Date, there is no claim, legal action, counterclaim, suit, arbitration, or other legal, administrative, or tax proceeding, nor any order, decree, or judgment, in progress or pending or, to Sellers' Knowledge, threatened, against or relating to the Assets or the business or operations of the Station that would be reasonably likely to have a Material Adverse Effect, nor do Sellers know of any basis for the same. Since the Balance Sheet Date, Sellers have received no Judgment against or affecting Sellers or the Assets or operation of its business except (i) for FCC and other governmental orders, decrees and actions which apply to the television broadcasting industry generally, (ii) as set forth on Schedule 3.15 hereto, or (iii) for such other Judgments that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

3.16. **Environmental Compliance.**

(a) Except as disclosed on Schedule 3.16, to Seller's Knowledge (x) none of the Owned Real Property contains (i) any asbestos, polychlorinated biphenyls, or any PCB contaminated oil; (ii) any Contaminants; or (iii) any underground storage tanks; (y) no underground storage tank disclosed on Schedule 3.16 has leaked and has not been remediated or now leaks, and any such tank is in substantial compliance with all applicable Environmental Laws; and (z) all of the Owned Real Property is in substantial compliance with all applicable

Environmental Laws.

(b) Sellers have obtained all material permits, licenses, and other authorizations that are required under all Environmental Laws.

3.17. **Compliance with Laws.** Except as set forth on Schedule 3.17 hereto, Sellers have complied in all material respects with the Licenses and all material federal, state and local laws, rules, regulations and ordinances applicable or relating to the ownership and operation of the Assets and the Station, and Sellers have not received any notice of any material violation of federal, state and local laws, regulations and ordinances applicable or relating to the ownership or operation of the Assets and the Station nor, to Sellers' Knowledge, have Sellers received any notice of any immaterial violation of federal, state and local laws, regulations, and ordinances applicable or relating to the ownership or operation of the Assets or the Station.

3.18. **Absence of Certain Changes or Events.** Since the Balance Sheet Date and through the date hereof, Sellers have conducted their business and operations in the ordinary course and, except as disclosed on Schedule 3.18, have not:

(a) made any material increase in compensation payable or to become payable to any of its employees other than those in the normal and usual course of business or in connection with any change in an employee's responsibilities, or any bonus payment made or promised to any of its Employees, or any material change in personnel policies, employee benefits, or other compensation arrangements affecting its employees;

(b) made any sale, assignment, lease, or other transfer of assets other than in the normal and usual course of business with suitable replacements being obtained therefor;

(c) canceled any debts owed to or claims held by Sellers, except in the normal and usual course of business;

(d) made any changes in Sellers' accounting practices;

(e) suffered any material write-down of the value of any Assets or any material write-off as uncollectable of any Accounts Receivable; or

(f) transferred or granted any right under or entered into any settlement regarding the breach or infringement of any license, patent, copyright, trademark, trade name, franchise, or similar right or modified any existing right.

3.19. **Broker.** Except as disclosed on Schedule 3.19, no Seller nor any Person acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement, and Buyer shall have no liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement for any broker listed on Schedule 3.19.

#### **SECTION 4: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers as follows:

4.1. **Organization, Standing and Authority.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of Massachusetts and has the requisite limited liability company power and authority to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms and to own the Assets.

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

4.3. **Absence of Conflicting Agreements and Required Consents.** Subject to the receipt of the Consents, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party; (b) will not conflict with the organizational documents of Buyer; (c) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound. Except for the FCC Consent provided for in Section 6.1, and the other Consents described on Schedule 4.3, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (a) to consummate this Agreement and the transactions contemplated hereby, or (b) to permit Buyer to acquire the Assets from Sellers or to assume certain liabilities and obligations of Sellers in accordance with Section 2.5.

4.4. **Brokers.** Except as disclosed on Schedule 4.4, neither Buyer nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement, and Sellers shall have no liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement for any broker listed on Schedule 4.4.

4.5. **Availability of Funds.** Buyer will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

4.6. **Qualifications of Buyer.** Except as disclosed on Schedule 4.6, Buyer is and, pending the Closing, will remain legally, financially, and otherwise qualified under the Communications Act and all rules, regulations, and policies of the FCC, and any other governmental agency to acquire and operate the Station. Except as disclosed on Schedule 4.6, to Buyer's Knowledge, there are no facts or proceedings relating to Buyer or Buyer's Affiliates which would reasonably be

expected (a) to disqualify Buyer under the Communications Act or otherwise from acquiring or operating the Station, (b) to cause the FCC not to approve the assignment of the FCC Licenses to Buyer, (c) to cause the filing of any objection to the assignment of the FCC Licenses to Buyer or (d) to lead to a delay outside the ordinary course in the processing by the FCC of the application for such assignment. Except as disclosed on Schedule 4.6, no waiver of any FCC rule or policy is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to Buyer, nor will processing pursuant to any exception or rule of general applicability be requested or required in connection with the consummation of the transactions herein.

4.7. **WARN Act.** Buyer is not planning or contemplating and has not made or taken any decisions or actions concerning the employees of the Station after the Closing Date that would require the service of notice under the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state law.

[4.8. **Buyer's Plan** [Intentionally omitted.]

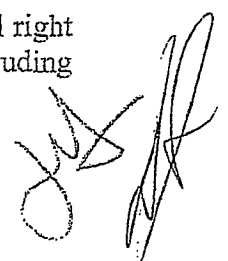
4.9. **Compliance with Laws.** Except (i) as set forth in Schedule 4.9 hereto, or (ii) for such other non-compliance matters that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement, on the Closing Date Buyer shall be in compliance with all applicable federal, state and local laws, rules, and regulations and, to Buyer's knowledge, Buyer has received no written notice of any Action pending or threatened alleging non-compliance therewith.

4.10. **Claims and Legal Actions.** Except (i) for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Buyer, (ii) as set forth on Schedule 4.10 hereto, or (iii) for such other Actions that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement, on the Closing Date there is no pending or, to Buyer's knowledge, threatened suit, claim, action, proceeding, or arbitration relating to the business or operations of the Buyer or which seeks to enjoin or obtain damages in respect to the transactions contemplated hereby. Buyer has received no Judgment against or affecting Buyer for the operation of its business except (i) for FCC and other governmental orders, decrees and actions which apply to the television broadcasting industry generally, (ii) as set forth on Schedule 4.10 hereto, or (iii) for such other Judgments that, individually or in the aggregate, would not reasonably be expected to interfere in any material respect with Buyer's ability to consummate the transactions contemplated by this Agreement.

## **SECTION 5: OPERATION OF THE STATION PRIOR TO CLOSING**

Sellers will act in accordance with the following insofar as such actions relate to the Station between the date hereof and the Closing Date:

5.1. **Contracts.** Sellers will not renew, extend, amend, terminate, or waive any material right under any Contract or enter into any contract or commitment or incur any obligation (including



obligations relating to the borrowing of money or the guaranteeing of indebtedness and obligations arising from the amendment of any existing Contract) that will be assumed by or be otherwise binding on Buyer after Closing, except for (a) cash time sales agreements and production agreements made in the ordinary course of business consistent with Sellers' past practices that are terminable on no more than ninety (90) days notice; (b) the renewal or extension of any existing Contract on its existing terms in the ordinary course of business; and (c) other contracts entered into in the ordinary course of business consistent with Sellers' past practices that do not involve expenditures in the aggregate, in excess of Eighty Thousand Dollars (\$80,000.00) measured at Closing.

5.2. **Compensation.** Sellers shall not materially increase the compensation, bonuses, or other benefits payable or to be payable to any person employed in connection with the conduct of the business or operations of the Station, except in accordance with past practices, as required by an employment agreement or consulting agreement or in connection and commensurate with the change in responsibility of any employee and to the extent thereof.

5.3. **Encumbrances.** Sellers will not create, assume, or permit to exist any Lien, except for (a) Liens disclosed on Schedule 5.3 that will be removed prior to the Closing Date, and (c) Permitted Encumbrances.

5.4. **Dispositions.** Sellers will not sell, assign, lease, or otherwise transfer or dispose of any of the Assets except (a) Assets that are no longer used in the operations of the Station, and (b) Assets that are replaced with Assets of equivalent kind and value that are acquired after the date of this Agreement.

5.5. **Access to Information.** Upon prior reasonable notice by Buyer, Sellers will give to Buyer and its investors, lenders, counsel, accountants, engineers, and other authorized representatives reasonable access during normal business hours to the Station and all books, records, and documents of Sellers which are material to the business and operation of the Station, and will furnish or cause to be furnished to Buyer and its authorized representatives all information relating to Sellers and the Station that they reasonably request (including any financial reports, and operations reports produced with respect to the Station).

5.6. **Insurance.** Sellers or their Affiliates shall maintain in full force and effect policies of insurance of the same type, character, and coverage as the policies currently carried with respect to the business, operations and the Assets, which are sufficient to replace any Assets that may be damaged or destroyed between the date hereof and the Closing Date.

5.7. **Licenses.** Sellers shall not cause or permit by any act or failure to act any of the Licenses listed on Schedule 3.4 to expire or to be revoked, suspended, or modified or take any action that could reasonably be expected to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or material adverse modification of any of the Licenses. Sellers shall prosecute with due diligence any applications to any governmental authority necessary for the operation of the Station, specifically including, without limitation, renewal of the Station's FCC Licenses and grant of the application for license to cover the Station's digital television facility.



5.8. **Obligations.** Sellers shall pay all its obligations insofar as they relate to the Station as they become due, consistent with past practices.

5.9. **No Inconsistent Action.** Sellers shall not take any action that is inconsistent with its obligations under this Agreement in any material respect or that could reasonably be expected to hinder or delay the consummation of the transactions contemplated by this Agreement. Neither Sellers nor any of its respective representatives or agents shall, directly or indirectly, solicit, initiate, or participate in any way in discussions or negotiations with, or provide any confidential information to, or enter into any agreement with, any Person (other than Buyer or any Affiliate or associate of Buyer and their respective representatives and agents) concerning any possible disposition of the Station, the sale of any material assets of the Station, or any similar transaction, including by merger or sale of Sellers' equity.

5.10. **Maintenance of Assets.** Sellers shall maintain all of the Assets in good condition (ordinary wear, tear and casualty excepted) consistent with their overall condition on the date of this Agreement, and use, operate, and maintain all of the Assets in a reasonable manner. Sellers shall maintain inventories of spare parts and expendable supplies at levels consistent with past practices. If any insured or indemnified loss, damage, impairment, confiscation, or condemnation of or to any of the Assets occurs, Sellers shall repair, replace, or restore the Assets to their prior condition as represented in this Agreement as soon thereafter as possible, and Sellers shall use the proceeds of any claim under any property damage insurance policy or other recovery solely to repair, replace, or restore any of the Assets that are lost, damaged, impaired, or destroyed.

5.11 **Actions in the Ordinary Course.** Sellers shall conduct the business and operations of the Station and the Assets strictly in the ordinary course of business and according to past practices. During 2007, Sellers shall expend the amount for Station promotion as set forth on the budget for 2007 previously provided to Buyer.

5.12 **Trade and Barter Obligations.** Sellers shall use commercially reasonable efforts to satisfy outstanding trade and barter obligations such that the amount of advertising remaining to be run under such agreements after Closing is not more than Twenty Thousand Dollars (\$20,000) in excess of or less than the fair market value of the goods and services to be received thereunder as of the Effective Time.

5.13. **Consents.**

(a) Subject to this Section 5.13 and Section 6.5 hereof, Sellers shall use their reasonable efforts to obtain all Consents described in Section 3.3, Schedule 3.5 or Schedule 3.7, including, without limitation, for the retransmission consent agreements identified on Schedule 3.7, without any adverse change in the terms or conditions of any Assumed Contract or License. Sellers shall promptly advise Buyer of any difficulties experienced in obtaining any of the Consents and of any conditions proposed, considered, or requested for any of the Consents.

(b) Anything in this Agreement to the contrary notwithstanding, this Agreement shall

not constitute an agreement to assign or transfer any Contract or any claim, right, or benefit arising thereunder or resulting therefrom, if an attempted assignment or transfer thereof, without the consent of a third party thereto would constitute a breach thereof or in any way adversely affect the rights of the Buyer thereunder.

(c) If such Consent (a "Deferred Consent") is not obtained, or if an attempted assignment or transfer thereof would be ineffective or would affect the rights thereunder so that the Buyer would not receive all such rights, then (i) Sellers and Buyer will cooperate, in all reasonable respects, to obtain such Deferred Consents as soon as practicable; provided that Sellers shall have no obligation (y) to expend funds to obtain any Deferred Consent, other than ministerial processing fees, and Sellers' out-of-pocket expenses to its attorney or other agents incurred in connection with obtaining any Deferred Consent, or (z) to agree to any adverse change in any License or Assumed Contract in order to obtain a Deferred Consent, and (ii) until such Deferred Consent is obtained, Sellers and Buyer will cooperate in all reasonable respects to provide to the Buyer the benefits under the Contract to which such Deferred Consent relates (with the Buyer responsible for all the liabilities and obligations thereunder). In particular, in the event that any such Deferred Consent is not obtained prior to Closing, then Buyer and Sellers shall enter into such arrangements (including subleasing or subcontracting if permitted) to provide to the parties the economic and operational equivalent of obtaining such Deferred Consent and assigning or transferring such Contract, including enforcement for the benefit of the Buyer of all claims or rights arising thereunder, and the performance by the Buyer of the obligations thereunder on a prompt and punctual basis; provided Sellers shall not be required to provide Buyer with the benefit of any retransmission consent agreement with respect to which a Consent is not obtained.

(d) Nothing contained in this Section 5.13 shall constitute or be construed as a waiver of Buyer's right as a condition to closing to receive consent to assignment of the ABC Affiliation Agreement.

5.14. **Books and Records.** Sellers shall maintain their books and records in accordance with past practices.

5.15. **Notification.** Sellers shall promptly notify Buyer in writing of any material developments with respect to the business or operations of the Station and of any material change in any of the information contained in the representations and warranties contained in Section 3 of this Agreement.

5.16. **Compliance with Laws.** Sellers shall comply in all material respects with all material Laws.

5.17 **Monthly Operating Statements.** Within twenty days after the end of each calendar month between the date hereof and the Closing Date, Sellers shall provide Buyer with monthly statements of income and expenses for the Stations prepared on an accrual basis and in accordance with Sellers' past practices, all of which statements shall be true, accurate and complete in all material respects and fairly present the results of operations for the calendar month.

## SECTION 6: SPECIAL COVENANTS AND AGREEMENTS

### 6.1. FCC Consent.

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

(b) Sellers and Buyer shall prepare and within seven (7) days after the date of this Agreement shall file with the FCC an appropriate application for FCC Consent to assignment of the FCC Licenses to Buyer or the License Subsidiary. The parties shall thereafter prosecute the application with all reasonable diligence and otherwise use their respective best efforts to obtain a grant of the application as expeditiously as practicable. Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance, the existence of which does not constitute a breach by that party of any of its representations, warranties, or covenants hereunder, and (ii) compliance with the condition would have a material adverse effect upon it. Buyer and Sellers shall oppose any petitions to deny or other objections filed with respect to the application for the FCC Consent and any requests for reconsideration or judicial review of the FCC Consent.

(c) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent and neither party shall have terminated this Agreement under Section 9, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the effective period of the FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 9.

### 6.2. [Intentionally omitted.]

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

6.4. Confidentiality. Except as necessary for the consummation of the transactions contemplated by this Agreement, including Buyer's obtaining of financing related hereto, and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions specifically contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

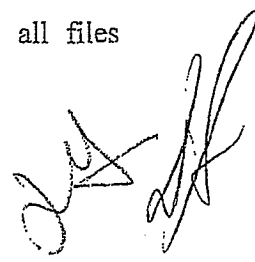
6.5. Cooperation. Buyer and Sellers shall reasonably cooperate with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and in connection with any litigation after the Closing Date which relates to the Station for periods prior to the Effective Time, Buyer and Sellers shall execute such other documents as may be reasonably necessary and desirable to the implementation and consummation of this Agreement and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations under this Agreement. Notwithstanding the foregoing, Sellers shall have no obligation (a) to expend funds to obtain any of the Consents, other than ministerial processing fees, and Sellers' out-of-pocket expenses to its attorney or other agents incurred in connection with obtaining such consents, or (b) to agree to any adverse change in any License or Assumed Contract in order to obtain a Consent required with respect thereto.

6.6. Accounts Receivable.

(a) As soon as practicable after the First Closing, Sellers shall deliver to Buyer a complete and detailed list of all the Accounts Receivable. Notwithstanding anything to the contrary contained herein, during the period beginning on the Closing Date and ending on the last day of the fifth (5<sup>th</sup>) full calendar month after the Closing Date (the "Collection Period"), Buyer shall use commercially reasonable efforts, as Sellers' agent, to collect the Accounts Receivable in the usual and ordinary course of business, using the Station's credit, sales, and other appropriate personnel in accordance with customary practices which may include referral to a collection agency. Notwithstanding the foregoing, Buyer shall not be required to institute legal proceedings on Sellers' behalf to enforce the collection of any Accounts Receivable. Buyer shall not adjust any Accounts Receivable or grant credit without Sellers' written consent, and Buyer shall not pledge, secure, or otherwise encumber such Accounts Receivable or the proceeds therefrom. On or before the twelfth (12th) business day after the end of each calendar month during the Collection Period, Buyer shall remit to Sellers collections received by Buyer with respect to the Accounts Receivable, together with a report of all amounts collected with respect to the Accounts Receivable during, as the case may be, the period from the Closing or the beginning of such month through the end of such month, less any sales commissions or collection costs paid by Buyer during the respective periods with respect to those Accounts Receivable.

(b) Any payments received by Buyer during the Collection Period from any Person that is an account debtor with respect to any account disclosed in the list of Accounts Receivable delivered by Sellers to Buyer shall be applied first to the invoice designated by the account debtor and, if none, such payment shall be applied to the oldest account which is not disputed. Buyer shall incur no liability to Sellers for any uncollected account, other than as a result of Buyer's breach of its obligations under this Section 6.6. Prior to the end of the Collection Period, neither Sellers, nor any agent of Sellers, shall make any direct solicitation of the account debtors for payment.

(c) At the end of the Collection Period, Buyer shall return to Sellers all files



concerning the collection or attempts to collect the Accounts Receivable, and Buyer's responsibility for the collection of the Accounts Receivable shall cease.

6.7. **Allocation of Purchase Price.** Buyer and Sellers agree to allocate the Purchase Price among the Assets for all purposes (including financial accounting and Tax purposes) as set forth on Schedule 6.7 hereto (to be provided on or before the Closing Date). Buyer and Sellers shall collaborate in good faith in the preparation of mutually satisfactory Form(s) 8594 reflecting the allocation of the Assets and such other information as is required by the form. Buyer and Sellers shall each file with their respective federal income tax return for the tax year in which the Closing occurs, IRS Form(s) 8594 containing the information agreed upon by the parties pursuant to the immediately preceding sentence and shall provide each other a copy of the filed Form(s) 8594 upon request. Buyer agrees to report the purchase of the Assets of the Station, and Sellers agree to report the sale of such assets for income tax purposes on their respective income tax returns in a manner consistent with the information agreed upon by the parties pursuant to this section and contained in the IRS Form(s) 8594. If Sellers and Buyer are unable to agree on such allocation, Sellers and Buyer agree to retain a nationally recognized appraisal firm experienced in valuing television broadcast properties to appraise the Assets. The appraisal firm shall perform such appraisal promptly. Sellers and Buyer shall each pay one-half (1/2) of the costs of such appraisal.

6.8. **Access to Books and Records.** To the extent reasonably requested by Sellers, Buyer shall provide Sellers access and the right to copy from and after the Closing Date any books and records relating to the Assets. Buyer and Sellers shall each retain any such books and records for a period of three (3) years following the date of the applicable Closing.

6.9. **Employee Matters.**

(a) Buyer shall offer employment as of the Closing Date to each of the Employees. The Buyer's offers of employment will be at a comparable base pay, position, and place of employment and

Any such Employees who accept such offer of employment are referred to herein as the "Transferred Employees". Except as set forth in the Employment Agreements described in Schedule 6.9, nothing contained herein shall obligate Buyer to employ a Seller employee for any specific period beyond the Closing Date, and all such post-closing employment by Buyer shall be on an employment at will basis. Buyer shall be responsible for paying severance and COBRA benefits under Sellers' customary practices to any Employee who does not accept the offer of employment made by Buyer if such Employee would be entitled to receive benefits under the terms of Sellers' severance pay practice, as disclosed in Schedule 3.14.

(b) Except as provided otherwise in this Section 6.9, Sellers shall pay, discharge, and be responsible for (a) all salary and wages arising out of or relating to the employment of the Employees prior to the Closing Date, and (b) any employee benefits arising under the Benefit Plans or Benefit Arrangements of Sellers and their Affiliates during the period prior to the Closing Date. From and after the Effective Time, Buyer shall pay, discharge, and be responsible for all salary, wages, and benefits (including vacation pay and sick leave pay) arising out of or

relating to the employment of the Transferred Employees by Buyer on and after the Closing Date. Buyer shall be responsible for all severance liabilities and all COBRA liabilities for any Transferred Employees of the Station terminated after the Closing Date. Costs of Employee accrued annual vacation, or for any accrued but unpaid salary, commission or other benefits owed to Transferred Employees for periods before the Closing Date that will be paid by Buyer, shall be pro rated for each Transferred Employee (with an adjustment being made in Buyer's favor for the accrued amount thereof), and Buyer shall offer all accrued but unused vacation to such Transferred Employees based on Seller's vacation policy in effect as of the Effective Time.

(c) Buyer shall cause all Transferred Employees as of the Closing Date to be eligible to participate in its "employee welfare benefit plans" and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively), if any, in which similarly situated employees of Buyer are generally eligible to participate; provided, however, that all Transferred Employees and their spouses and dependents shall be eligible for coverage immediately after the Closing Date and shall not be excluded from coverage on account of any pre-existing condition to the extent so provided under such plans with respect to Transferred Employees.

(d) For purposes of any length of service requirements, waiting period, vesting periods, or differential benefits based on length of service in any such plan for which a Transferred Employee may be eligible after the Closing, Buyer shall ensure that, to the extent permitted by law, service by such Transferred Employee with Sellers, any Affiliate of Sellers or any prior owner of the Station shall be deemed to have been service with the Buyer. In addition, Buyer shall ensure that each Transferred Employee receives credit under any welfare benefit plan of Buyer for any deductibles or co-payments paid by such Transferred Employee and his or her dependents for the current plan year under a plan maintained by Sellers or any Affiliate of Sellers, to the extent allowable under any such Buyer plan. Buyer shall grant credit to each Transferred Employee for all sick leave in accordance with the policies of Buyer applicable generally to its employees after giving effect to service for Sellers, any Affiliate of Sellers, or any prior owner of the Station, as service for Buyer. To the extent any claim with respect to accrued vacation leave or sick leave is lodged against Sellers with respect to any Transferred Employee, Buyer shall indemnify, defend, and hold harmless Sellers from and against any and all losses, directly or indirectly, as a result of or based upon or arising from the same.

(e) Buyer does not have a 401(k) but has a matched contribution plan. Transferred Employees shall be eligible for inclusion in the matched contribution plan to the same extent and by the same standards that other Buyer employees become eligible and for such purpose service by such Transferred Employee with Sellers, any Affiliate of Sellers or any prior owner of the Station shall be deemed to have been service with the Buyer.

(f) Buyer acknowledges and agrees that Buyer's obligations pursuant to this Section 6.9 are in addition to, and not in limitation of, Buyer's obligation to assume the employment contracts included in the Assumed Contracts. Nothing in this Agreement shall be construed to provide Employees of Sellers with any rights under this Agreement, and no Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this

Agreement shall be solely for the benefit of, and shall only be enforceable by, the parties hereto and their respective successors and assigns as permitted hereunder.

(g) From the date hereof and through the first to occur of (i) the termination of this Agreement in accordance with the terms hereof and (ii) the one year anniversary of the Closing Date, Sellers shall not solicit, discuss or offer employment with Sellers or their affiliates to or employ (i) other than at the Station, any current Employee before the Closing Date, or (ii) after the Closing Date, any Transferred Employee, without the express written consent of Buyer in its sole discretion.

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

6.11. **Disclosure Schedules.** Sellers and Buyer acknowledge and agree that Sellers shall not be liable for the failure of the Schedules to be accurate as a result of the operation of the Station prior to the Closing if such operation is in accordance with Section 5 of this Agreement. The inclusion of any fact or item on a Schedule referenced by a particular section in this Agreement shall, should the existence of the fact or item or its contents be relevant to any other section, be deemed to be disclosed with respect to such other section whether or not an explicit cross-reference appears in the Schedules, if such relevance is readily apparent from examination of such Schedules.

6.12. **Bulk Sales Law.** Buyer hereby waives compliance by Sellers, in connection with the transactions contemplated hereby, with the provisions of any applicable bulk transfer laws.

6.13. **Adverse Developments.** Sellers shall promptly notify Buyer of any unusual or materially adverse developments that occur prior to the Closing with respect to the Assets or the operation of the Station; provided, however, that Sellers' compliance with the disclosure requirements of this Section 6.13 shall not relieve Sellers of any obligation with respect to any representation, warranty, or covenant of Sellers in this Agreement or relieve Buyer of any obligation or duty hereunder, waive any condition to Buyer's obligations under this Agreement, or expand or enhance any right of Buyer hereunder.

6.14. **Title Insurance.** Prior to the Closing, Sellers shall deliver to Buyer their current available title insurance policies relating to the Owned Real Property. Sellers shall cooperate with Buyer in obtaining the commitment of a title insurance company reasonably satisfactory to Buyer agreeing to issue to Buyer, at standard rates, ALTA [1992] Form extended coverage title

insurance policies, insuring Buyer's fee simple interest in the Owned Real Property (the "Title Commitment"), free and clear of all Liens except Permitted Encumbrances and any exceptions which are standard and customary in title insurance policies, including the "survey exception" described in Section 6.15 below if not elected to be delivered by Buyer. The costs of the Title Commitment and the policy to be issued pursuant to the Title Commitment shall be paid by Buyer.

6.15. Surveys. Prior to the Closing, Sellers shall arrange for and deliver to Buyer, at Buyer's further election and expense, surveys of the Owned Real Property performed by surveyors reasonably acceptable to Buyer sufficient to remove any "survey exception" from the title insurance policies to be issued pursuant to the Title Commitments.

6.16 Environmental Assessment. Buyer may, at its own expense, retain a qualified contractor to perform a Phase I environmental audit, and if recommended by such contractor, a Phase II environmental audit with respect to the Owned Real Property, such audits to be completed within forty five (45) days from the date of this Agreement. Sellers shall provide such contractor reasonably detailed information about and access to the Owned Real Property for purposes of such audit(s). Such environmental audit(s) shall confirm, in a manner reasonably satisfactory to Buyer, either the absence of any quantity of Contaminants from the Owned Real Property, or the presence of Contaminants in a state or condition which does not violate any Environmental Laws, and that there are no conditions existing at the Owned Real Property which could reasonably subject Buyer to damages, penalties or other remedial action under the Environmental Laws. In the event that an audit discloses any violation of any Environmental Laws or any condition that could reasonably subject Buyer to damages, penalties or remedial action, and the qualified contractor estimates that remedial action can be performed by Sellers for \$150,000 or less, Buyer shall notify Sellers to undertake such remediation at Sellers' expense (but not including the first \$75,000 of remediation expenses, which would be borne by Buyer), Seller shall promptly undertake such action, and the Closing Date shall be postponed for a reasonable time to accomplish the remediation, or the parties may agree to deduct a mutually agreed amount from the Purchase Price and Buyer shall perform such remediation after the Closing. If such audit discloses violations of Environmental Laws or the existence of any condition the remediation of which is estimated by the qualified contractor to exceed \$150,000, subject to the following sentence, Buyer may elect either to terminate this Agreement and neither party shall have any further obligation to the other party, or to consummate the Closing and obtain a \$75,000 reduction in the Purchase Price, in which case Sellers shall bear no further responsibility for remediation of violations and conditions as disclosed and estimated in such audit (and the indemnification obligations with respect to breaches of representations and warranties set forth in Section 3.16 shall not apply). Notwithstanding the foregoing sentence, if the audit discloses the existence of any condition the remediation of which is estimated by the qualified contractor to exceed \$150,000, Sellers may elect to pay all amounts over \$75,000 and require Buyer to consummate the Closing (provided that Sellers shall



not be relieved from indemnification obligations with respect to breaches of representations and warranties set forth in Section 3.16).

## **SECTION 7: CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER**

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

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

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

(c) **Deliveries.** Sellers shall have made or stand willing to make all the deliveries to Buyer described in Section 8.2.

(d) **FCC Consent.** The FCC Consent shall have been granted, provided, that if a petition to deny or informal objection has been filed with the FCC, either party may require that the Closing occur within five (5) business days after the FCC Consent has become a Final Order.

(e) **Governmental Authorizations.** Sellers shall be the holder of all FCC Licenses, and there shall not have been any modification, revocation, or non-renewal of any License that has had a Material Adverse Effect. No proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any FCC License. The FCC License renewal application shall have been granted without any condition outside the ordinary course. The "license to cover" the Stations digital television license shall have been granted without any condition outside the ordinary course.

(f) **ABC Consent.** Sellers shall have obtained and delivered to Buyer the ABC Affiliation Agreement consent to assignment, which consent shall not have as a condition thereof any modifications to the terms thereof or any payment by Buyer to consummate the assignment.

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

(a) **Representations and Warranties.** All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time (except for representations and warranties

that speak as of a specific date or time which need only be true and complete as of such date or time).

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

(c) **Deliveries.** Buyer shall have made or stand willing to make all the deliveries described in Section 8.3.

(d) **FCC Consent.** The FCC Consent shall have been granted, provided, that if a petition to deny or informal objection has been filed with the FCC, either party may require that the Closing occur within five (5) business days after the FCC Consent has become a Final Order.

## **SECTION 8: CLOSING AND CLOSING DELIVERIES**

### **8.1. Closings.**

#### **(a) Closing Date.**

(i) **Closing Date.** Except as provided below in this Section 8.1 or as otherwise agreed to by Buyer and Sellers, the Closing shall take place at 10:00 a.m. on a date to be set by Buyer on at least five (5) days' written notice to Sellers which shall not be earlier than the third business day after the FCC Consent shall have been granted or later than ten (10) business days after the FCC Consent shall have been granted; provided, that if a petition to deny or informal objection has been filed with the FCC, either party may require that the Closing occur within five (5) business days after the FCC Consent has become a Final Order; and further provided, in the event Buyer's intended senior lender is unable to provide Buyer's financing, Buyer may postpone the Closing Date for a period of no more than thirty (30) days from the date that the FCC Consent shall have been granted (or has become a Final Order, if the Closing is to occur after Final Order) in order to afford such senior lender additional time to provide such financing, or to Buyer find an alternative source of financing; provided further, such extension right shall not in any way modify or eliminate Buyer's representation and warranty set forth in Section 4.5 of the Agreement.

(ii) If any event occurs that prevents main station analog and licensed digital signal transmission by the Station at less than 80% of its full authorized power, and Sellers cannot restore the such transmissions to 80% of their full authorized power before the date on which the Closing would otherwise occur pursuant to this Section 8.1(a), and this Agreement has not been terminated under Section 9, Sellers shall diligently take such action as reasonably necessary to restore such transmissions to the level of 80% of their full authorized power, and the Closing shall be postponed until a date within the effective period of the FCC Consent to allow Sellers to restore the normal and usual transmission for the Station. If the Closing is postponed pursuant to this paragraph, the date of the Closing shall be five business (5) days after notice by Sellers to Buyer that such transmission capability has been restored to the level of 80% of full authorized power.

(iii) If there is in effect on the date on which the Closing would otherwise occur pursuant to this Section 8.1(a) any judgment, decree, or order that would prevent or make unlawful the Closing on that date, the Closing shall be postponed until a date within the effective period of the FCC Consent, when such judgment, decree, or order no longer prevents or makes unlawful such Closing. If the Closing is postponed pursuant to this paragraph, the date of the Closing shall be five (5) business days after such closing is no longer unlawful.

(b) **Closing Place.** The Closing shall be held at the offices of Thomas & Libowitz, 100 Light Street, Baltimore, Maryland 21202 or of Davis Wright Tremaine, LLP, 1919 Pennsylvania Avenue, NW, Washington, D.C., or any other place that is mutually agreed upon by Buyer and Sellers, or by mail and electronic means.

8.2. **Deliveries by Sellers at Closing.** Prior to or on the Closing Date, Sellers shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) **Conveyancing Documents.** Duly executed assignments and other transfer documents that are sufficient to vest good and marketable title to the Assets in the name of Buyer or its License Subsidiary, as applicable, free and clear of all Liens and obligations except for Permitted Encumbrances, including, without limitation:

- (i) A Bill of Sale for the Tangible Personal Property;
- (ii) An Assignment and Assumption of Licenses;
- (iii) An Assignment and Assumption of Contracts; and
- (iv) Warranty Deeds for the Owned Real Property.

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

(c) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by each of the Seller's secretaries, members, partners, or designees, as the case may be: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Seller's Board of Directors and shareholders (if required) (or by the general partner in the case of a partnership or by the members in the case of a limited liability company), authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and



that such resolutions remain in full force and effect; and (ii) providing, as attachments thereto, the Articles of Incorporation and Bylaws (or other organizational documents) of Sellers.

(d) **Consents.** Consent to the assignment of the ABC Affiliation Agreement, and such other consents to assignment of Assumed Contracts as Sellers shall have obtained.

(e) **Good Standing Certificates.** To the extent available from the applicable jurisdictions and to the extent applicable to the Station, certificates as to the good standing of Sellers issued by the appropriate governmental authorities in the states of organization and each jurisdiction in which Sellers are qualified to do business, each such certificate (if available) to be dated a date not more than thirty days before the Closing Date.

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

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

(a) **Closing Payment.** The payment of the Estimated Purchase Price described in Section 2.4(a).

(b) **Conveyancing Documents.** The following conveyance documents, executed by Buyer and (if applicable) its License Subsidiary:

(i) An Assignment and Assumption of Licenses; and

(ii) An Assignment and Assumption of Contracts.

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

(d) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by Buyer's Secretary: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's Manager, authorizing and approving the execution of this Agreement and the consummation of the transaction contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as an attachment thereto, Buyer's Certificate of Formation.

(e) **Good Standing Certificates.** To the extent available from the applicable jurisdictions, certificates as to the good standing of Buyer issued by the appropriate governmental authorities in the state of organization and each jurisdiction in which Buyer is



qualified to do business, each such certificate (if available) to be dated a date not more than thirty (30) days prior to the Closing Date.

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

## **SECTION 9: TERMINATION**

9.1. **Termination by Seller.** This Agreement may be terminated by Sellers and the purchase and sale of the Station abandoned if Sellers are not then in material default hereunder upon written notice to Buyer upon the occurrence of any of the following:

(a) If the Closing shall not have occurred on or prior to the one (1) year anniversary of the date hereof;

(b) Buyer shall be in material default with respect to their obligations hereunder and such default shall not have been cured within thirty (30) days following written notice from Sellers of such default (or within such longer period as may reasonably be required to cure such default if not reasonably capable of being cured within such thirty (30) days and Buyer shall have diligently begun working to cure such default within such thirty (30) day period), provided, however, that the cure period if Buyer fails to deliver the Purchase Price at Closing (all other conditions having been satisfied by the parties) shall be three (3) business days.

(c) If Buyer shall not have delivered the Second Escrow Deposit to the Escrow Agent prior to August 4, 2007.

9.2. **Termination by Buyer.** This Agreement may be terminated by Buyer and the purchase and sale of the Station abandoned if Buyer is not then in material default with respect to its obligations hereunder upon written notice to Sellers upon the occurrence of any of the following:

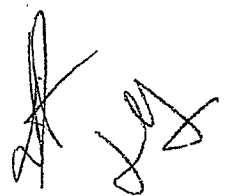
(a) If the Closing shall not have occurred on or prior to the first (1<sup>st</sup>) anniversary of the date hereof.

(b) If Sellers shall be in material default with respect to their obligations hereunder and such default shall not have been cured within thirty (30) days following written notice from Buyer of such default (or within such longer period as may reasonably be required to cure such default if not reasonably capable of being cured within such thirty (30) days and Sellers shall have diligently begun working to cure such default within such thirty (30) day period).

(c) As provided in Section 6.16 hereof;

9.3 **Termination by Either Party.** Either party may terminate this Agreement, if not in default of its obligations hereunder, as follows:

(a) By mutual agreement of the parties.



(b) If a court or governmental, regulatory or administrative agency or commission of competent jurisdiction shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable;

(c) By either party, if the FCC denies the FCC Application, or if the FCC Application is designated for a hearing.

9.4. Rights on Termination. If this Agreement is terminated by Buyer in accordance with the provisions of Section 9.2(b) or (c) or 9.3(a) or (b) above, Buyer shall have all rights and remedies available at law or equity, specifically including, without limitation, the Earnest Money Deposit shall be promptly returned from the Escrow Agent. If this Agreement is terminated in accordance with the provisions of Section 9.1(a) or (b), 9.2(a) or 9.3(c) above, Sellers shall be entitled to prompt payment of the Earnest Money Deposit from the Escrow Agent as liquidated damages and Sellers' sole remedy with respect thereto; provided, if such termination results solely from a failure of the FCC Consent to have been granted solely as a result of any matter raised by the FCC or any petitioner concerning Sellers, SBGI, or the Station, then the Earnest Money Deposit shall instead be promptly returned to Buyer from the Escrow Agent. If this Agreement is terminated in accordance with the provisions of Section 9.1(c), Sellers shall be entitled to prompt payment of the First Escrow Deposit from the Escrow Agent as liquidated damages. The parties agree that the liquidated damages are intended to limit the claims that Seller may have against Buyer in the circumstances described herein, and that the liquidated damages provided herein bear a reasonable relationship to the anticipated harm which would be caused by Buyer's default. The parties further acknowledge and agree that the amount of actual loss caused by Buyer's Breach is difficult to estimate with precision and that Seller would not have a convenient and adequate alternative to Liquidated Damages hereunder.

9.5 Specific Performance. Seller acknowledges and agrees that the Station Assets are unique assets not readily available on the open market, and in the event Seller shall fail to perform its obligations to consummate the transactions contemplated hereby, money damages alone cannot adequately compensate Buyer for its injury. In the event a court of competent jurisdiction finds that Seller has failed to perform its obligations under this Agreement and such finding is no longer subject to appeal, Buyer shall be entitled to specific performance of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby, as Buyer's sole remedy, and Seller shall waive any and all defenses that Buyer has an adequate remedy at law.

9.6. Attorneys' Fees. In the event of a default by either party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled

to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

9.7. **Survival.** Notwithstanding the termination of this Agreement pursuant to this Section 9, the obligations of Buyer and Sellers set forth in Sections 6.3, 6.4, 9, 10, and 11 shall survive such termination, and the parties hereto shall have any and all rights and remedies to enforce such obligations provided at law or in equity or otherwise (including, without limitation, specific performance).

#### **SECTION 10: SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES**

10.1. **Survival of Representations.** All representations and warranties, covenants, and agreements of Sellers and Buyer contained in or made pursuant to this Agreement or in any certificate furnished pursuant hereto shall survive the applicable Closing Date and shall remain in full force and effect for a period of fifteen (15) months after the Closing Date; and (b) any representation, warranty, covenant, or agreement that is the subject of a claim which is asserted in a reasonably detailed writing prior to the expiration of the survival period set forth in this Section 10.1 shall survive with respect to such claim or dispute until the final resolution thereof. Notwithstanding the above, the covenants and agreements set forth in Section 6.4 Confidentiality, Section 6.5 Cooperation, Section 6.9 Books and Records, Section 11.1 Fees and Expenses, Section 11.2 Notices, and Section 11.3 Benefit and Binding Effect shall survive the Closing for the period of the statute of limitations applicable hereto, measured from the Closing Date..

10.2. **Indemnification by Sellers.** After the Closing, but subject to Sections 10.1 and 10.5, Sellers hereby agree to indemnify and hold Buyer harmless against and with respect to and shall reimburse Buyer for:

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

(b) any and all obligations of Sellers not assumed by Buyer pursuant to this Agreement, including, without limitation, any liabilities arising at any time under any Contract not included in the Assumed Contracts;

(c) any Loss arising out of or resulting from the failure of the parties to comply with the provisions of any bulk sales law applicable to the transfer of the Assets; and

(d) any and all obligations or Loss arising out of or resulting from the operation or ownership of the Station prior to the Closing (except any losses, liabilities, or damages for which Buyer has received a proration in its favor)..

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10.3. **Indemnification by Buyer.** Subject to Section 10.5, Buyer hereby agrees to indemnify and hold Sellers and Sinclair harmless against and with respect to and shall reimburse Sellers and Sinclair for:

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

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

(c) any and all obligations or Loss arising out of or resulting from the operation or ownership of the Station after the Closing, except any losses, liabilities, or damages for which Sellers have received a proration in their favor.

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

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

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

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party, provided, however, that Indemnifying Party may not assume control of the defense unless it affirms in writing its obligation to indemnify Claimant for any damages incurred by Claimant with respect to such third-party claim. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not elect to assume control or otherwise



participate in the defense of any third-party claim, it shall be bound by the results obtained in good faith by the Claimant with respect to such claim.

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

(e) The indemnification rights provided in Section 10.2 and Section 10.3 shall extend to the members, partners, shareholders, officers, directors, employees, representatives, and affiliated entities of any Claimant although for the purpose of the procedures set forth in this Section 10.4, any indemnification claims by such parties shall be made by and through the Claimant.

#### 10.5. Certain Limitations.

(a) Notwithstanding anything in this Agreement to the contrary, neither party shall indemnify or otherwise be liable to the other party with respect to any claim for any breach of a representation or warranty, or for the breach of any covenant contained in this Agreement, unless notice of the claim is given within the relevant survival period specified in Section 10.1.

(b) Notwithstanding anything in this Agreement to the contrary, Sellers shall not be liable to Buyer in respect of any indemnification hereunder except to the extent that (i) the aggregate amount of Buyer's Loss exceeds Seventy-Five Thousand Dollars (\$75,000.00) (the "Threshold Amount"), and then only to the extent Buyer's Loss exceeds the Threshold Amount, and (ii) the aggregate amount of Buyer's Loss is less than One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "Indemnity Cap").

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

10.6 Guaranty. SBGI, parent entity of Sellers, hereby irrevocably guarantees (the "Guaranty"), as principal and not as surety, to Buyer, the full and prompt payment and performance by Sellers of all of Sellers' post closing indemnification obligations set forth in Section 10.2 of this Agreement.

(a) The Guaranty shall apply and survive until all obligations of Sellers under this Agreement are performed and indefeasibly satisfied in accordance with the terms hereof. This Guaranty is an absolute, unconditional, present, and continuing guarantee of payment and not of collection, and, in the event that Sellers shall fail or be unable punctually to make any payment or perform any obligation required to be made or performed by Sellers under Section 10.2 of this Agreement, SBGI shall make such payment to the order of Buyer and perform such obligation immediately without demand, presentment, protest, or notice of any kind, all of which are unconditionally waived by SBGI. In the event of a lawsuit or other proceeding relating to the enforcement of this Guaranty, the prevailing party shall be entitled to reimbursement from the

other party of its reasonable legal fees and expenses. SBGI's obligations hereunder shall not be assigned to any other Person, and each attempted assignment of such obligations without such consent shall be null and void. This Guaranty shall be binding upon SBGI and its successors and assigns.

(b) SBGI expressly waives any right it may have to require any person seeking enforcement of this Guaranty to (a) proceed against Sellers or any other person, (b) proceed against or exhaust any security or (c) pursue any other remedy in the power of the person seeking such enforcement. SBGI waives any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy against Sellers.

(c) SBGI agrees that its obligations hereunder shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Sellers is avoided, recovered, rescinded or must be otherwise restored, whether as a result of any proceedings in bankruptcy, or reorganization or otherwise.

(d) Notwithstanding anything herein to the contrary, in no event shall Buyer have any rights against SBGI which it would not have had against Sellers pursuant to the terms of, and subject to the limitations contained in, this Agreement.

## **SECTION 11: MISCELLANEOUS**

### **11.1. Fees and Expenses.**

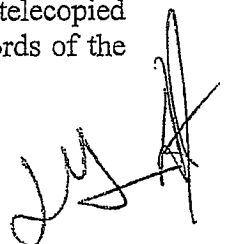
(a) Buyer and Sellers shall each pay one-half (1/2) of any fees charged by the FCC in connection with obtaining the FCC Consent.

(b) Buyer and Sellers shall each pay one-half (1/2) of any filing fees, transfer taxes, document stamps, or other charges levied by any governmental entity (other than income Taxes, which shall be the responsibility of Sellers) on account of the transfer of the Assets from Sellers to Buyer.

(c) Buyer shall pay the fees of the Escrow Agent.

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

11.2. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) sent by facsimile (with receipt personally confirmed by telephone), delivered by personal delivery, or sent by commercial delivery service or certified mail, return receipt requested, (c) deemed to have been given on the date telecopied with receipt confirmed, the date of personal delivery, or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:



To Buyer:  
John Gormally  
Business West Inc.  
1441 Main Street  
Springfield, MA 01103

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

Bryan T. McGinnis, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Avenue NW –  
Suite 200  
Washington, DC 20006  
Telephone: (202) 973-4285  
Facsimile: (202) 973-4499

To Sellers:

c/o Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Road  
Hunt Valley, MD 21030  
Attn: President  
Telephone: (410) 568-1506  
Facsimile: (410) 568-1533

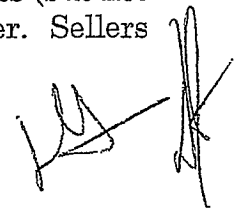
with a copy  
(which shall  
not constitute  
notice) to:

Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Road  
Hunt Valley, MD 21030  
Attn: General Counsel  
Telephone: (410) 568-1524  
Facsimile: (410) 568-1537

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 11.2.

**11.3. Benefit and Binding Effect.**

Buyer may not assign this Agreement to any other party without the consent of Sellers, such consent not to be unreasonably withheld, which assignment, if consented to by the Sellers, shall not relieve Buyer of its obligations hereunder, provided, that Buyer may assign the right to acquire certain Assets on the Closing Date to a wholly owned subsidiary of Buyer, including, without limitation, the License Subsidiary, which assignment shall not relieve Buyer of its obligations hereunder. Buyer may also make a collateral assignment of Buyer's rights (but not obligations) under this Agreement on customary terms to its senior lender. Sellers

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may assign, combine, merge, or consolidate among themselves and any Affiliate of Sellers so long as Sellers or their successors and assigns are bound by the terms and conditions of this Agreement in all respects as if such successors and assigns were original parties hereto, and such assignment, combination, merger, or consolidation does not have an adverse affect on Buyer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement. No Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder.

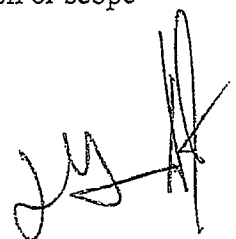
11.4. **Further Assurances.** The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

11.5. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

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

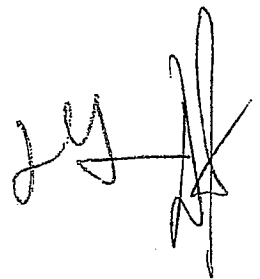
11.7. **Amendment; Waiver of Compliance; Consents.** This Agreement may not be amended except in a writing signed by the parties. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 11.7.

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

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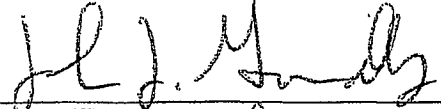
11.9. Counterparts. This Agreement may be signed in two or more counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signatures are on Following Page]

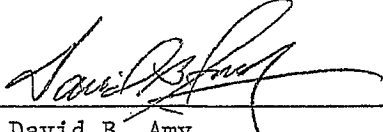
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IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyer and Sellers as of the date first written above.

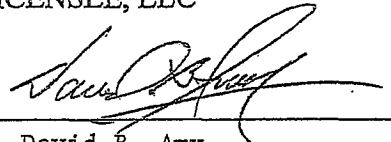
GORMALLY BROADCASTING, LLC

By:   
Name: John J. Gormally  
Title: Managing Partner

WGGB, INC.

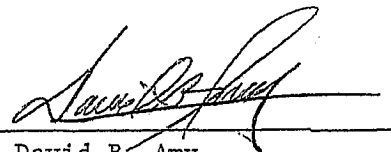
By:   
Name: David B. Amy  
Title: Secretary

WGGB LICENSEE, LLC

By:   
Name: David B. Amy  
Title: Manager

The undersigned hereby signifies its agreement solely with regard to its obligations under Section 10.6 of the Agreement.

SINCLAIR BROADCAST GROUP, INC.

By:   
Name: David B. Amy  
Title: Executive VP & CFO