
ASSET PURCHASE AGREEMENT

Dated as of February 6, 2013

among

**KSEE Television, Inc.,
KSEE License, Inc.,
Nexstar Broadcasting, Inc. and,
for purposes of Section 11.16 only, Granite Broadcasting Corporation**

TABLE OF CONTENTS

	Page
ARTICLE 1	
PURCHASE OF ASSETS AT INITIAL CLOSING AND LICENSE CLOSING	1
1.1 Purchase and Sale of Non-License Assets	1
1.2 Purchase and Sale of License Assets	3
1.3 Excluded Assets	4
1.4 Assumption of Obligations	6
1.5 Purchase Price	7
1.6 Prorations and Adjustments	7
1.7 Allocation.....	9
1.8 Closings.....	9
1.9 Governmental Consent.....	10
1.10 Multi-Station Agreements.....	12
ARTICLE 2	
SELLER REPRESENTATIONS AND WARRANTIES	12
2.1 Organization.....	12
2.2 Authorization	12
2.3 No Conflicts	12
2.4 FCC Licenses	13
2.5 Taxes	14
2.6 Tangible Personal Property	14
2.7 Real Property/Leases	15
2.8 Contracts	16
2.9 Environmental.....	17
2.10 Intangible Property.....	18
2.11 Employees; Labor Matters.....	19
2.12 Insurance	20
2.13 Compliance with Law; Permits.....	20
2.14 Litigation.....	20
2.15 Financial Statements	20
2.16 Absence of Changes.....	21
2.17 Purchased Assets; Sufficiency	21

TABLE OF CONTENTS

(continued)

	Page
2.18 No Brokers	21
ARTICLE 3 BUYER REPRESENTATIONS AND WARRANTIES	21
3.1 Organization.....	21
3.2 Authorization	21
3.3 No Conflicts	22
3.4 Litigation.....	22
3.5 Qualification	22
3.6 Financing.....	22
3.7 Solvency.....	22
3.8 Projections and Other Information.....	23
3.9 Brokers	23
3.10 Buyer Superseding Contracts.....	24
ARTICLE 4 CERTAIN COVENANTS	24
4.1 Seller's Covenants	24
ARTICLE 5 JOINT COVENANTS	26
5.1 Confidentiality	26
5.2 Announcements.....	26
5.3 Control	26
5.4 Risk of Loss	26
5.5 Consents	26
5.6 Employees.....	27
5.7 Accounting Services; Access to and Retention of Records	31
5.8 Further Action	31
5.9 Notice	31
5.10 Accounts Receivable and Accounts Payable	32
5.11 Cooperation.....	35
5.12 Tax Returns and Payments.....	35
5.13 Fulfillment of Conditions.....	35
5.14 Further Action Regarding Intangible Property	35
ARTICLE 6 SELLER CLOSING CONDITIONS	36

TABLE OF CONTENTS
(continued)

	Page
6.1 Initial Closing.....	36
6.2 License Closing.....	36
ARTICLE 7 BUYER CLOSING CONDITIONS	37
7.1 Initial Closing.....	37
7.2 License Closing.....	38
ARTICLE 8 CLOSING DELIVERIES	39
8.1 Seller Documents at Initial Closing	39
8.2 Seller Documents at License Closing	40
8.3 Buyer Documents at Initial Closing.....	41
8.4 Buyer Documents at License Closing.....	41
ARTICLE 9 SURVIVAL; INDEMNIFICATION	42
9.1 Survival	42
9.2 Indemnification	42
9.3 Procedures with Respect to Third Party Claims	44
9.4 No Special Damages, Mitigation	45
9.5 Offset.....	45
9.6 Treatment of Indemnity Benefits	45
9.7 Environmental Liabilities.....	45
9.8 Exclusive Remedies	46
9.9 Effect of Investigation.....	46
ARTICLE 10 TERMINATION AND REMEDIES	47
10.1 Termination.....	47
10.2 Cure Period	47
10.3 Termination and Survival	48
10.4 Specific Performance	48
10.5 Initial Payment and Unwind Agreement.....	48
ARTICLE 11 MISCELLANEOUS	49
11.1 Expenses	49
11.2 Further Assurances.....	49
11.3 Assignment	49

TABLE OF CONTENTS
(continued)

	Page
11.4 Notices	49
11.5 Amendments	50
11.6 Entire Agreement	50
11.7 Severability	51
11.8 Third Party Beneficiaries	51
11.9 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial	51
11.10 Neutral Construction	52
11.11 Cooperation	52
11.12 Counterparts; Delivery by Facsimile/Email	52
11.13 Interpretation	52
11.14 Certain Definitions	53
11.15 Bulk Transfer	58
11.16 Guarantor	59
11.17 Mutual Non-Recourse	61
11.18 Actions Pursuant to the TBA	62

TABLE OF CONTENTS

Page

Exhibits

Exhibit A	Assignments of FCC Authorizations Assigning FCC Licenses
Exhibit B	Assignments and Assumptions of Contracts
Exhibit C	Assignments and Assumptions of Leases Assigning Real Property Leases
Exhibit D	Intellectual Property Assignments Assigning Intangible Rights
Exhibit E	General Bills of Sale Conveying Purchased Assets
Exhibit F	Affidavits of Non-Foreign Status of Seller
Exhibit G	Unwind Agreement
Exhibit H	Studio Facility Lease
Exhibit I	Assignment and Assumption of Employment Obligations

Schedules

Schedule 1.1(a)	Non-FCC Licenses
Schedule 1.1(b)	Tangible Personal Property
Schedule 1.1(c)(i)	Owned Real Property
Schedule 1.1(c)(ii)	Real Property Leases
Schedule 1.1(d)	Initial Closing Contracts
Schedule 1.1(e)	Intangible Property
Schedule 1.2(a)	FCC Licenses
Schedule 1.2(c)	License Closing Contracts
Schedule 1.2(d)	License Closing Tangible Personal Property
Schedule 1.3(d)	Excluded Trade Names
Schedule 1.3(m)	Other Station Excluded Assets
Schedule 1.3(q)	Other Excluded Assets
Schedule 1.3(r)	Retransmission Consent Agreements
Schedule 1.4	Assumed Obligations
Schedule 1.9(a)	Primary FCC Licenses
Schedule 2.3	Conflicts
Schedule 2.4(a)	Knowledge
Schedule 2.4(b)	Certain Notices
Schedule 2.6	Permitted Liens
Schedule 2.7(b)	Leased Real Property
Schedule 2.7(d)	Access to Real Property
Schedule 2.9	Environmental Exceptions
Schedule 2.10(a)	Certain Intangible Property
Schedule 2.10(b)	Infringement of Intangible Property
Schedule 2.10(d)	Business Systems
Schedule 2.11	Labor Matters
Schedule 2.13	Compliance with Law; Permits
Schedule 2.14	Litigation
Schedule 2.15	Financial Statements
Schedule 2.17	Purchased Assets; Sufficiency
Schedule 4.1	Seller's Covenants

TABLE OF CONTENTS

		Page
Schedule 5.5(a)	Required Consents	
Schedule 5.6(a)	Employees	
Schedule 5.6(b)	Employment Contracts	

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of February 6, 2013, by and among (i) KSEE Television, Inc., a Delaware corporation (“Granite OpCo”), KSEE License, Inc., a Delaware corporation (“Granite License,” and together with Granite OpCo, “Seller” and each, a “Seller”), and (ii) Nexstar Broadcasting, Inc., a Delaware corporation (“Buyer”), and (iii) for purposes of Section 11.16 only, Granite Broadcasting Corporation, a Delaware corporation (“Granite”).

Recitals

A. Granite OpCo is the owner of the assets (other than the FCC Licenses (as defined below)) used in the operation of the television broadcast station KSEE(TV), Fresno, California (the “Station”) and operates such Station pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”).

B. Granite OpCo is engaged in the business and operation of the Station (the “Business” which, for the avoidance of doubt, shall not include the Other Seller Stations (as defined below) or the other businesses or assets of Granite or its Affiliates).

C. The FCC Licenses are held by Granite License.

D. Simultaneously with the execution and delivery of this Agreement, Seller and Buyer are entering into a Time Brokerage Agreement (“TBA”).

E. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Purchased Assets (as defined below) as follows:

(i) on the Initial Closing Date (as defined below), Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Non-License Assets; and

(ii) on the License Closing Date (as defined below), Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the License Assets.

Agreement

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

ARTICLE 1

PURCHASE OF ASSETS AT INITIAL CLOSING AND LICENSE CLOSING

1.1 Purchase and Sale of Non-License Assets. On the terms and subject to the conditions hereof, at the Initial Closing, except as set forth in Section 1.2, Section 1.3 and Section 1.4, Seller shall sell, assign, transfer, convey and deliver to Buyer, in each case free and clear of all Liens (as defined below) other than Permitted Liens (as defined below), and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets,

properties and rights of Seller, real and personal, tangible and intangible, that are exclusively or primarily used or exclusively or primarily held for use in the Business (collectively, the “Non-License Assets”), including the following:

(a) other than the FCC Licenses (as defined below), all licenses, permits and authorizations issued by any Governmental Entity (as defined below) other than the FCC applicable to the Business, including those described on Schedule 1.1(a);

(b) all of Seller’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, servers, traffic systems, graphic systems, audio boards, switchers, back-up generators, radar systems, microwaves, transponders, relays, motor vehicles, computers, computer hardware and peripherals, office equipment, production and news operation equipment, inventory, spare parts and other tangible personal property of every kind and description that are exclusively or primarily used or exclusively or primarily held for use in the Business, in each case, including those listed on Schedule 1.1(b) (the “Tangible Personal Property”), except for the Tangible Personal Property set forth on Schedule 1.2(d);

(c) all of the real property interests (i) owned by Seller (the “Owned Real Property”), or (ii) except to the extent included in the License Assets or the Excluded Assets, leased, subleased, licensed or otherwise occupied by Seller (the “Real Property Leases”) (in the case of both (i) and (ii) above, including any appurtenant easements, building, structures, fixtures and other Improvements located thereon), that is exclusively or primarily used or exclusively or primarily held for use in the Business, including the real property listed on Schedules 1.1(c)(i) and (ii), respectively (the “Real Property”);

(d) except to the extent included in the License Assets or the Excluded Assets, subject to Section 5.5(b), all agreements (whether written or oral) for the sale of advertising time and all other contracts, agreements, leases and licenses, in each case, exclusively or primarily used or exclusively or primarily held for use in the Business, including those listed on Schedule 1.1(d) (collectively, the “Initial Closing Contracts”) ;

(e) all of Seller’s rights in any Intellectual Property (as defined below) and all goodwill associated therewith, exclusively or primarily used or exclusively or primarily held for use in the Business but, for the avoidance of doubt, excluding any Intellectual Property exclusively or primarily used in connection with any station or business unit of Granite or its Affiliates that is not the Station or a part of the Business (the “Other Seller Stations”), including all Intellectual Property listed on Schedule 1.1(e) (the “Intangible Property”). For purposes of this Agreement, “Intellectual Property” means all call letters, trademarks, trade names, service marks, designs, trade names, patents, inventions, trade secrets, know-how, processes, methods, techniques, Internet domain names, websites, web content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, databases, software or applications (including user-applications, source code, executable code, systems, tools, data, firmware and related documentation), copyrights and other works of authorship, programs and programming material, jingles, slogans, logos, content, all applications, registrations and renewals relating to any of the foregoing, any other intellectual property rights or proprietary rights in or arising from any of the foregoing, and in all tangible embodiments of the foregoing, including all licenses, sublicenses and other rights granted and obtained with

respect thereto, and rights thereunder, including rights to collect royalties, products and proceeds, rights to sue and bring other claims and seek remedies against past, present and future infringements or misappropriations thereof or other conflicts therewith, rights to recover damages or lost profits in connection therewith, and other rights to recover damages (including attorneys' fees and expenses) or lost profits in connection therewith, and otherwise to seek protection or enforcement of interests therein under the Legal Requirements of all jurisdictions;

(f) excluding the records to the extent included in the License Assets, Seller's rights in and to all the files, documents, records, and books of account (or copies thereof at Seller's sole discretion) to the extent relating to the Business, including the Business' local public files, programming information and studies, signal and program carriage agreements, engineering files, data, drawings, blueprints, schematics, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs and copies of all personnel files related to Transferred Employees, but excluding records to the extent relating to Excluded Assets (as defined below) or the Other Seller Stations (the "Purchased Documents").

1.2 Purchase and Sale of License Assets. On the terms and subject to the conditions hereof, at the License Closing (as defined below), except as set forth in Section 1.1, Section 1.3 and Section 1.4, Seller shall sell, assign, transfer, convey and deliver to Buyer, in each case free and clear of all Liens other than Permitted Liens, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the following (collectively, the "License Assets" and, together with the Non-License Assets, the "Purchased Assets");

(a) all licenses, permits and other authorizations issued to Granite License by the FCC with respect to the Station (the "FCC Licenses"), and including any applications therefor and renewals or modifications thereof between the date hereof and the License Closing, including those described on Schedule 1.2(a);

(b) the public and political files of the Station and those papers, logs files and other records maintained by the Seller to ensure compliance by the Station with all applicable rules, regulations and policies of the FCC (the "FCC Documents");

(c) the agreements set forth on Schedule 1.2(c) (the "License Closing Contracts") and together with the Initial Closing Contracts and the Employment Contracts (as defined below) the "Purchased Contracts"). Buyer shall only assume such contracts set forth on Schedule 1.2(c) as in effect on the date hereof or as amended or entered into in accordance with Section 4.1; and

(d) the Tangible Personal Property set forth on Schedule 1.2(d); and

(e) Seller may, by written notice to Buyer, update Schedule 1.2(c) at any time from time to time before the License Closing to (i) add any contract, agreement or lease entered into by Seller after the date of this Agreement and before the License Closing, in compliance with Section 4.1, that would have qualified as a License Closing Contract if such contract, agreement or lease had been in effect on the date of this Agreement and (ii) remove any License Closing Contract that is described in Section 1.2(c) that after the date of this Agreement and

before the License Closing has expired or been terminated in compliance with the terms of this Agreement. All such contracts, agreements and leases that are so added to Schedule 1.2(c) in accordance with this Section 1.2(e) shall, for all purposes of this Agreement, be deemed to be License Closing Contracts and included in the Purchased Assets. All License Closing Contracts that are so removed from Schedule 1.2(c) in accordance with the terms and conditions of this Agreement shall, for all purposes of this Agreement, thereafter be deemed to be Excluded Assets and shall cease to be License Closing Contracts and shall no longer be included in the Purchased Assets. Except as otherwise provided in this Agreement, updates to Schedule 1.2(c) in accordance with this Section 1.2(e) will not in any manner affect any condition to the obligations of Buyer to consummate the License Closing or the satisfaction thereof.

1.3 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Purchased Assets shall not include the following assets or any rights, title and interest of Seller therein (the “Excluded Assets”):

(a) all cash and cash equivalents of Seller, including certificates of deposit, commercial paper, treasury bills, marketable securities, checks received and not cashed prior to the Initial Closing, bank accounts, money market accounts, other depository accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property (excluding, for the avoidance of doubt, Intellectual Property) of Seller sold, transferred, retired or otherwise disposed of in compliance with the terms of this Agreement prior to the Initial Closing;

(c) all Purchased Contracts that are terminated in compliance with the terms of this Agreement or expire (and are not renewed or extended by Seller) prior to the License Closing;

(d) all of Seller’s rights, title and interest in and to (i) any names, trade names or service names of Seller that are not exclusively or primarily used nor exclusively or primarily held for use in the Business (including, but not limited to, the names “Granite” and “Granite Broadcasting”), (ii) the corporate, limited liability company and trade names listed on Schedule 1.3(d), (iii) all URLs and internet domain names consisting of or containing any of the foregoing, and (iv) any variations or derivations of the foregoing that include the word “Granite” or any confusingly similar term (collectively, the “Seller Marks”);

(e) all contracts of insurance (including Seller’s contracts of health and dental insurance), all coverages and proceeds thereunder and all rights in connection therewith, including rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

(f) except for any employment and severance agreements and sales commission agreements (whether written or oral) related to the sale of advertising time with Transferred Employees and Collective Bargaining Agreements listed on Schedule 2.11, all pension or profit sharing plans, any trusts established to fund benefits under any employee benefit plan and the assets thereof and, any other benefit or compensation plan, program, contract, policy, agreement or arrangement and the assets thereof, if any, maintained, sponsored

or contributed to by Seller, or by any ERISA Affiliate, or with respect to which any of them has any liability or obligation;

(g) any rights under any non-transferable shrink-wrapped or click-wrapped licenses of computer software and any other non-transferable licenses of computer software that are not material to the Business;

(h) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Business, to the extent arising during or attributable to any period prior to the Effective Time (as defined below);

(i) all claims of Seller with respect to any Tax (as defined below) refunds;

(j) Seller's Accounts Receivable (as defined below) and other current assets not described in Section 1.3(a) above;

(k) all Intellectual Property other than the Intangible Property, including all of Seller's rights, title and interest in and to any Intellectual Property that is not exclusively or primarily used nor exclusively or primarily held for use in the Business (including any call letters used in connection with any Other Seller Station);

(l) (i) each of Seller's charters or other governance documents, minute books and all books and records relating to the organization, existence or ownership of Seller, (ii) all records, documents, plans and financial records related to the transactions contemplated by this Agreement, (iii) duplicate copies of all Purchased Documents, (iv) all records relating to other Excluded Assets, (v) all personnel files for employees who do not become Transferred Employees and (vi) all files, documents, records, Tax Returns (as defined below), books of account and other materials to the extent not relating exclusively or primarily to the Purchased Assets or the operation of the Business;

(m) all real and personal, tangible and intangible assets of Seller and its Affiliates that are exclusively or primarily used or held exclusively or primarily for use in the operation of the Other Seller Stations (other than any such assets that are used both in the Business and in the Other Seller Stations and listed or described in Schedule 1.3(m));

(n) all capital stock or other equity securities of Seller, or of subsidiaries of Seller, or their respective Affiliates, and all other equity interests in any entity that are owned beneficially or of record by Seller or its Affiliates;

(o) all intercompany debts, obligations and other contracts, leases, agreements and arrangements among Seller or its Affiliates that are not listed on Schedule 1.1(d), Schedule 1.2(c) or Schedule 5.6(b);

(p) all rights of Seller under this Agreement, including the right to receive the Purchase Price (as defined below), under any agreement, certificate, instrument or other document executed and delivered in connection with this Agreement or the transactions contemplated hereby and under any side agreement between Seller and Buyer entered into on or after the date of this Agreement;

- (q) the assets listed on Schedule 1.3(q), if any; and
- (r) the contracts listed on Schedule 1.3(r) (the “Section 1.3(r) Contracts”).

1.4 Assumption of Obligations.

(a) Initial Closing. On the date hereof, in addition to Buyer’s assumption of all of Buyer’s obligations under the TBA, Seller shall assign to Buyer, and Buyer shall assume from Seller (and Buyer shall thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms) (i) all liabilities and obligations of the Business arising out of, or attributable to, any period of time after the Effective Time, including the liabilities and obligations under those Initial Closing Contracts that are assumed pursuant to Section 1.1(d), (ii) sales commissions related to the sale of advertisements broadcast on the Station in accordance with the sales commission plans referenced in Schedule 1.1(d) arising out of, or attributable to, any period of time after the Effective Time, (iii) subject to Section 5.5(b), all obligations and liabilities related to Program Rights (as defined below) arising out of, or attributable to, any period of time after the Effective Time, (iv) any and all Taxes with respect to Purchased Assets arising out of, or attributable to, any period of time after the Effective Time, other than Taxes arising out of, or attributable to, Seller’s operation of the Station, including Seller’s performance of its obligations under the TBA, between the Effective Time and the License Closing Date, (v) all other liabilities of Seller listed on Schedule 1.4, and (vii) any liability or obligation to the extent of the amount of credit received by Buyer under Section 1.6 (collectively, the “Initial Assumed Obligations” and collectively with the Employment Obligations (as defined below) the “Assumed Obligations”).

(b) License Closing. To the extent not previously assumed by Buyer upon the Initial Closing, either pursuant to Section 1.4(a) or pursuant to the TBA, on the License Closing, Seller shall assign to Buyer, and Buyer shall assume from Seller (and Buyer shall thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms) (i) all liabilities and obligations of the FCC Licenses arising out of, or attributable to, any period of time after the License Closing Date; (ii) liabilities and obligations under those License Closing Contracts that are assumed pursuant to Section 1.2(c), including the obligations described in Section 5.6 to the extent not previously assumed); (iii) any and all Taxes with respect to License Assets arising out of, or attributable to, any period of time after the License Closing (collectively, the “License Closing Assumed Obligations”).

(c) Retained Obligations. Except for the Assumed Obligations and the License Closing Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller or relating to Seller’s obligations under the TBA, the Purchased Assets, of any kind or nature, whether accrued, absolute, contingent or otherwise, or whether due or to become due, or otherwise, whether known or unknown, arising out of events, transactions or facts which shall have occurred, arisen or existed on or before the Effective Time or the License Closing Date, as applicable, which liabilities and obligations, if ever in existence, shall continue to be liabilities and obligations of Seller including any and all liabilities and obligations of or on behalf of Seller for Taxes in respect of taxable periods (or portions thereof) ending on or before the Effective Time or the

License Closing Date, as applicable, and those relating to the Excluded Assets or for borrowed money, including any liability of infringement, misappropriation or other conflict with the Intellectual Property of any third party arising on or before the Effective Time and all obligations related to accrued vacation time in respect of any Transferred Employee (the “Retained Obligations”). Seller shall timely perform and discharge in accordance with their respective terms all Retained Obligations. For purposes of clarity, and not in limitation of the foregoing, Seller shall be solely responsible for any forfeitures, fines and other payments (collectively, “Fines”) imposed by the FCC in connection with the Business’ operations prior to the Initial Closing whether such Fines are imposed by the FCC in connection with a Renewal Application (as defined below) or otherwise and regardless of whether such Fines are imposed before or after the Initial Closing.

1.5 Purchase Price.

(a) At the Initial Closing. In consideration for the sale of the Non-License Assets and Seller’s execution of the TBA, Buyer shall, at the Initial Closing, in addition to assuming the Assumed Obligations, pay to Seller the sum of \$20,000,000.00 (the “Initial Payment”), subject to adjustment as provided in this Agreement. The Initial Payment shall be paid at Initial Closing by wire transfer in immediately available funds to an account(s) designated by Seller.

(b) At the License Closing. In consideration for the sale of the License Assets, Buyer shall, at the License Closing, in addition to assuming the License Closing Assumed Obligations, pay to Seller the sum of \$6,500,000.00 (the “Additional Purchase Price” and together with the Initial Payment, the “Purchase Price”), subject to adjustment as provided in this Agreement. The Additional Purchase Price shall be paid at the License Closing by wire transfer in immediately available funds to an account(s) designated by Seller.

1.6 Prorations and Adjustments.

(a) For the purposes of determining the Initial Purchase Price adjustment, if any, all income and expenses arising from the Business, including Assumed Obligations, License Closing Assumed Obligations, prepaid expenses, ad valorem and property taxes and assessments (but excluding Seller’s Accounts Receivable), annual regulatory fees payable to the FCC, power and utilities charges, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer in accordance with the United States generally accepted accounting principles (“GAAP”) to reflect the principle that Seller shall be entitled to all income and be responsible for all expenses arising from the Business through the Effective Time and Buyer shall be entitled to all income and, subject to the provisions of the TBA, be responsible for all expenses arising from the Business after the Effective Time.

(b) Notwithstanding anything in this Section 1.6 to the contrary, (i) except as set forth herein, with respect to the Trade Agreements (as defined below) for the sale of time for goods or services assumed by Buyer, if at the Effective Time, the Trade Agreements have an aggregate negative balance (i.e., the amount by which the value of air time the Station is obligated to provide after the Effective Time exceeds the fair market value of corresponding goods and services to be received by the Station after such date), there shall be no proration or

adjustment, unless the absolute value of the aggregate negative balance of the Station's Trade Agreements exceeds \$50,000, in which event only such excess shall be treated as prepaid time sales of the Station, and adjusted for as a proration in Buyer's favor, and (ii) there shall be no proration under this Section 1.6 to the extent there is an aggregate positive balance with respect to the Station's Trade Agreements. For purposes of this Agreement, "Trade Agreement" means any contract, agreement or commitment, oral or written, other than film and program barter agreements, pursuant to which Seller has agreed to sell or trade commercial air time or commercial production services of the Station in consideration for any property or service other than cash.

(c) There shall be no proration under this Section 1.6 for Program Rights agreements except to the extent that any payments or performance due under such Program Rights agreements relate to a payment period that straddles the Effective Time in which case the amount payable in the payment period will be prorated based on the number of days in such period. For purposes of this Agreement, "Program Rights" means all rights of the Station to broadcast television programs or shows as part of the Station's programming, including all rights of the Station under film and program barter agreements, sports rights agreements, news rights or service agreements, affiliation agreements and syndication agreements.

(d) The prorations and adjustments to be made pursuant to this Section 1.6 are referred to as the "Initial Closing Date Adjustments." Seller will provide an estimate of all Initial Closing Date Adjustments pursuant to this Section 1.6 and a statement of its estimates to Buyer, which statement shall set forth in reasonable detail the basis for those estimates, not later than five (5) business days from the date hereof. Within sixty (60) days after the Initial Closing, Buyer shall deliver to Seller a statement of any adjustments to Seller's estimate of the Initial Closing Date Adjustments, and no later than the close of business on the tenth (10th) day after the delivery of such statement (the "Payment Date"), Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). During the first sixty (60) days after Initial Closing, each of Buyer and Seller agrees to provide representatives of the other party with prompt reasonable access to its related books, records and employees during regular business hours (or in lieu of such access, copies of reasonably requested materials and telephonic access to such employers shall be provided upon two (2) business days' prior written notice to such party) for the purpose of preparing the statement of adjustments to Seller's estimate of the Initial Closing Date Adjustments, all substantially in accordance with the procedures and practices applied by Seller's business offices. To the extent that any prorations are necessary at the License Closing or on March 1, 2013 (with respect to the Employment Obligations), as applicable, to implement the intent of this Agreement, Buyer and Seller shall apply the provisions set forth in Section 1.6, *mutatis mutandis*.

(e) Except with respect to items that Seller notifies Buyer that it objects to prior to the close of business on the date that is at least one (1) business day prior to the Payment Date, the adjustments set forth in Buyer's statement shall be final and binding on the parties effective at the close of business on the Payment Date. If Seller disputes Buyer's determinations set forth in Buyer's statement or Buyer disputes Seller's determinations set forth in any such objection notice, the parties shall consult with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties within thirty (30) days after the

Payment Date. If such thirty (30) day consultation period expires and the dispute has not been resolved, then the parties shall retain a mutually acceptable, nationally recognized independent accounting firm that does not then have a relationship with Seller or Buyer (the “Independent Accountant”), to resolve the disagreement and make a determination with respect thereto as promptly as practicable. The determination by the Independent Accountant on the matter shall be binding. If an Independent Accountant is engaged pursuant to this Section 1.6, the fees and expenses of the Independent Accountant shall be borne by Seller and Buyer in inverse proportion as such parties may prevail on the resolution of the disagreement which proportionate allocation also will be determined by the Independent Accountant and be included in the Independent Accountant’s written report, and an appropriate adjustment and payment shall be made within three (3) business days of the resolution by the Independent Accountant, which resolution the parties will request the Independent Accountant to render within thirty (30) days after such retention.

1.7 Allocation. All amounts constituting consideration within the meaning of and for the purposes of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations thereunder shall be allocated among the Purchased Assets and any other rights acquired by Buyer hereunder, as applicable, in the manner required by Section 1060 of the Code. Prior to or promptly after the License Closing, each of Buyer and Seller shall provide information to the other regarding the providing party’s proposed allocation of the Purchase Price, any Assumed Obligations and any License Closing Assumed Obligations in accordance with the requirements of Section 1060 of the Code, and, if the parties reach agreement with respect to such allocation, then each party agrees to complete and timely file IRS Form 8594 (or any successor form), to file all income Tax Returns in accordance with such agreed allocation, and to take no action inconsistent with such agreed allocation. If the parties do not reach agreement with respect to such allocation, then the parties shall have no further obligation under this Section 1.7 and each party shall make its own determination of such allocation for financial and Tax reporting purposes.

1.8 Closings.

(a) Initial Closing.

(i) Subject to the terms of this Agreement, the consummation of the sale and purchase of the Non-License Assets pursuant to this Agreement and the assumption of the Assumed Obligations (the “Initial Closing”) shall take place at the offices of Dow Lohnes PLLC, 1200 New Hampshire Avenue, NW, Suite 800, Washington, D.C. 20036 on the date hereof, subject to the satisfaction or waiver of the conditions to Initial Closing set forth herein (other than those conditions that by their nature are to be satisfied at the Initial Closing, but subject to the satisfaction or waiver of those conditions at such time), or on such other date or at such other location as is mutually agreeable to Buyer and Seller.

(ii) The date on which the Initial Closing occurs is referred to herein as the “Initial Closing Date.” Notwithstanding that the Initial Closing Date may be a different date, the “Effective Time” for purposes of this Agreement shall be February 1, 2013 at 12:01 a.m. local time for the Station; provided, however, that with respect to those certain Purchased

Contracts relating to advertising time on the Station, the Effective Time shall be deemed to be 5:00 a.m., local time, on February 1, 2013.

(b) License Closing.

(i) Subject to any prior termination of this Agreement pursuant to Section 10.1, the consummation of the sale and purchase of the License Assets pursuant to this Agreement and the assumption of the License Closing Assumed Obligations (the “License Closing”) shall take place at the offices of Dow Lohnes PLLC, 1200 New Hampshire Avenue, NW, Suite 800, Washington, D.C. 20036 on the fifth (5th) business day after the FCC Consent (as defined below) shall have been granted and shall be in full force and effect and shall have become a Final Order (as defined below), subject to the satisfaction or waiver of the conditions to License Closing set forth herein (other than those conditions that by their nature are to be satisfied at the License Closing, but subject to the satisfaction or waiver of those conditions at such time), or on such other date or at such other location as is mutually agreeable to Buyer and Seller; provided, however, that Buyer in its sole discretion and upon at least ten (10) days prior written notice to Seller may waive the requirement that the FCC Consent become a Final Order. For purposes of this Agreement, “Final Order” means an Action (as defined below) by the FCC (A) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (B) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or sua sponte review by the FCC is pending and (C) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

(ii) The date on which the License Closing occurs is referred to herein as the “License Closing Date”. If the License 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 Article 10 hereof, Buyer and Seller shall jointly request one or more extensions of the effective period of the FCC Consent; provided, however, that no such extension of the FCC Consent shall limit the right of either party to exercise such party’s rights under Article 10.

1.9 Governmental Consent.

(a) Within five (5) business days after the date of this Agreement, Buyer and Seller shall file one or more applications with the FCC (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application with respect to those FCC Licenses set forth on Schedule 1.9(a) (the “Primary FCC Licenses”) without any material adverse conditions other than those of general applicability is referred to herein as the “FCC Consent.” Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible; provided, however, except as provided in the following sentence or in Section 1.9(c), neither Buyer nor Seller shall be required to pay consideration to any third party to obtain FCC Consent. Buyer and Seller shall each pay one-half (1/2) of all FCC filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated.

(b) Buyer and Seller each shall oppose any petitions to deny or other objections filed with respect to the FCC Application to the extent such petition or objection relates to such party. Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, or would reasonably be expected to, have the effect of materially delaying the receipt of the FCC Consent.

(c) The FCC Licenses of the Station expire on the dates corresponding thereto as set forth in Schedule 1.2(a). If, at any point prior to the License Closing, an application for the renewal of any Primary FCC License (a “Renewal Application”) must be filed pursuant to the Communications Laws (as defined below), Seller shall timely execute, file and prosecute with the FCC such Renewal Application in accordance with Section 4.1(a) hereof. If the FCC Application is granted by the FCC subject to a renewal condition, then, without limitation of Section 1.9(a), the term “FCC Consent” shall be deemed to also include Seller’s satisfaction of such renewal condition. In addition, and exclusive of any agreements that Seller enters into pursuant to Section 4.1, Seller shall promptly enter into tolling agreements with the FCC to facilitate grant of any Renewal Application, to extend the statute of limitations for the FCC to determine or impose a fine against the Station in connection with (i) any pending complaints that the Station aired programming that contained obscene, indecent or profane material, or (ii) any other enforcement matters against the Station with respect to which the FCC may permit Seller to enter into a tolling agreement, and Seller will comply with such agreements. Buyer and Seller shall consult in good faith with each other prior to Seller entering into any such tolling agreement under this Section 1.9(c). For the purposes hereof, “Communications Laws” shall mean the Communications Act of 1934, as amended, and the rules, regulations and written policies of the FCC promulgated pursuant thereto).

(d) In connection with their obligations pursuant to this Section 1.9 with respect to pursuing the FCC Consent, Buyer and Seller shall (i) keep each other informed in all material respects and on a reasonably timely basis of any material communication received by such party from, or given by such party to, any governmental agency and of any material communication received or given in connection with any Action (as defined below) by a private party, in each case with respect to this Agreement, the Business or the transactions contemplated hereby, (ii) notify each other of all documents filed with or received from any governmental agency with respect to this Agreement, the Business or the transactions contemplated hereby, (iii) furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder and (iv) cooperate in all respects with each other in connection with any filing or submission with a governmental agency in connection with the transactions contemplated by this Agreement and in connection with any investigation or other inquiry by or before any governmental agency relating to this Agreement, the Business or the transactions contemplated hereby, including any Action initiated by a private party. Subject to applicable laws relating to the exchange of information, each of Buyer and Seller shall have the right to review in advance, and to the extent practicable each will consult with the other on, all information relating to the other party or parties, as the case may be, and their respective Affiliates, that appears in any filing made with, or written materials submitted to, any third party and/or any governmental agency with respect to this Agreement, the Business or the transactions contemplated hereby. The FCC Consent is sometimes referred to herein as the “Governmental Consent.”

1.10 Multi-Station Agreements. In the event that one or more Other Seller Stations is party to, or has rights or obligations with respect to, a Purchased Contract (each, a “Multi-Station Agreement”), the rights and obligations under each such Multi-Station Agreement that is assigned to and assumed by Buyer (and included in the Purchased Assets, Assumed Obligations, and the License Closing Assumed Obligations, as the case may be) shall include only those rights and obligations under such Multi-Station Agreement that are applicable to the Station. The rights of each Other Seller Station with respect to any Purchased Contracts and the obligations of each Other Seller Station to such any such Purchased Contracts shall not be assigned to and assumed by Buyer (and shall be Excluded Assets and Retained Obligations, as the case may be).

ARTICLE 2 SELLER REPRESENTATIONS AND WARRANTIES

Seller hereby makes the following representations and warranties to Buyer as of the date hereof and, with respect to the representations and warranties contained in Section 2.1, Section 2.2, Section 2.3, Section 2.4, Section 2.6, Section 2.8, Section 2.11, Section 2.12, and Section 2.13 of this Agreement only solely to the extent applicable to the License Assets, as of the License Closing:

2.1 Organization. Each Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and Granite OpCo is qualified to do business in each jurisdiction in which the Purchased Assets are located. Each Seller has the requisite corporate power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by such Seller pursuant hereto (collectively the “Seller Transaction Documents”) and to consummate the transactions contemplated hereby and thereby.

2.2 Authorization. The execution, delivery and performance of this Agreement and the Seller Transaction Documents and the consummation of the transactions contemplated hereby and thereby by Seller have been duly authorized and approved by all necessary corporate action of Seller and its directors, officers and stockholders and do not require any further authorization or consent of Seller or its directors, officers and stockholders. This Agreement is, and each Seller Transaction Document when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except as set forth on Schedule 2.3 and except for the Governmental Consent and consents to assign the Purchased Contracts indicated as requiring consent on Schedule 1.1(c), Schedule 1.1(d), Schedule 1.2(c) and Schedule 5.6(b), the execution, delivery and performance by Seller of this Agreement, and the Seller Transaction Documents and the consummation by Seller of any of the transactions contemplated hereby or thereby does not and will not in any material respect conflict with, violate, result in a breach of the terms and

conditions of, or, with or without notice or the passage of time, result in any material breach, event of default or the creation of any lien under, any Real Property Lease listed on Schedule 1.1(c), any Purchased Contract required to be listed on Schedule 1.1(d), Schedule 1.2(c) or Schedule 5.6(b), any organizational documents of Seller, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority.

2.4 FCC Licenses.

(a) Except as set forth on Schedule 1.2(a): Granite License is the holder of the FCC Licenses described on Schedule 1.2(a), which include all of the licenses, permits, authorizations and registrations of the FCC required for or otherwise material to the present operation of the Business and the ownership of Purchased Assets. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller's Knowledge (as defined below), threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Business, or Seller with respect to the Business, that could result in any such action. Except as set forth in Schedule 1.2(a), the FCC Licenses have been issued for the full terms customarily issued by the FCC for the class of the Station, and the FCC Licenses are not subject to any condition except for those conditions appearing on the face of the FCC Licenses and conditions generally applicable to the class of the Station. The Station is operating in compliance in all material respects with the terms of the FCC Licenses and the Communications Laws. To Seller's Knowledge, there are no facts or circumstances that might reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify Seller, (b) materially delay obtaining the FCC Consent or (c) cause the FCC to impose a material condition or conditions on its granting the FCC Consent. "Knowledge" with respect to Seller, shall mean the actual knowledge of (i) the president and chief financial officer of Granite, (ii) the general manager and chief engineer (or person holding a similar position, but not including any contract employee or consultant) of the Station and (iii) the individuals set forth on Schedule 2.4(a).

(b) Schedule 1.1(d) contains, as of the date hereof, (i) a list of all retransmission consent agreements with multi-channel video programming distributors, including cable systems, telephone companies, and DBS systems (together, "MVPDs") with respect to the Station and (ii) a list of the MVPDs that, to Seller's Knowledge, carry the Station outside the Station's Nielsen Designated Market Area ("DMA"). Except as set forth on Schedule 2.4(b), Seller has entered into retransmission consent agreements with respect to each MVPD with more than 5,000 subscribers in the Station's DMAs. Since January 1, 2012, except as set forth on Schedule 2.4(b), (x) no headend with more than 5,000 subscribers covered by an MVPD in the Station's DMAs has provided written notice to Seller of any material signal quality issue or has failed to respond to a request for carriage or, to Seller's Knowledge, sought any form of relief from carriage of the Station from the FCC and (y) Seller has not received any written notice from any MVPD with more than 5,000 subscribers in the Station's DMAs of such MVPD's intention to delete the Station from carriage or to change the Station's channel position.

2.5 Taxes.

(a) Seller has, in respect of the Business, timely filed all material Tax Returns which are required to have been filed (taking into account any permitted extension of time within which to file) by it under applicable law, and all such Tax Returns are complete, true and correct in all material respects. Seller has fully and timely paid all material Taxes due and payable pursuant to such Tax Returns or pursuant to any assessments which have become payable, except for Taxes contested in good faith by appropriate proceedings. As used herein, “Taxes” shall mean any and all federal, state, local, county, provincial, national, foreign and other taxes, fees, levies, duties, tariffs, imposts, and other similar charges (together with any and all interest, penalties and additions to tax) imposed by any governmental or taxing authority including taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers’ compensation, unemployment compensation, or net worth taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes, license, registration and documentation fees and similar charges, and “Tax Returns” shall mean any returns, reports, claims for refund, declarations of estimated Taxes and information statements, including any schedule or attachment thereto or any amendment thereof, with respect to Taxes required to be filed with any governmental or taxing authority, domestic or foreign, including consolidated, combined and unitary tax returns.

(b) No issues that have been raised by the relevant taxing authority in connection with the examination of any of the Tax Returns referred to in clause (a) are currently pending.

(c) There is no lien for Taxes upon any of the Purchased Assets nor, to the Knowledge of Seller, is any taxing authority in the process of imposing any lien for Taxes on any such assets, other than liens for Taxes that are not yet due and payable or for Taxes the validity or amount of which is being contested by Seller in good faith by appropriate action.

(d) Seller has withheld all Taxes required to be withheld under applicable law, and such withholdings have either been paid to the proper governmental agency or set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of Seller.

2.6 Tangible Personal Property.

(a) Schedule 1.1(b) and Schedule 1.2(d) collectively contain a list of material items of Tangible Personal Property included in the Purchased Assets with respect to the Station. Except as set forth on Schedule 2.6, Seller has good and valid title to the Tangible Personal Property free and clear of liens, claims and encumbrances (“Liens”), other than Permitted Liens. As used herein, “Permitted Liens” means, collectively: (a) Liens for taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith; (b) Liens arising under any zoning laws or ordinances which are not violated by the current use or occupancy of the real property or the operation of the business thereon, other than any Liens resulting from any violation or non-compliance in any material respect with such zoning laws or ordinances by Seller or its Affiliates; (c) any right reserved to any governmental authority to regulate the affected property (including restrictions stated in any permits); (d) in the case of any

leased Purchased Asset, (i) the rights of any lessor under the applicable Purchased Contract or any Lien granted by any lessor or any Lien that the applicable Purchased Contract is subject to, (ii) any statutory Lien for amounts that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been created in accordance with GAAP and (iii) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property, (e) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, material men and other Liens imposed by law arising or incurred in the ordinary course of business for amounts that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been created in accordance with GAAP and that are not resulting from any breach, violation or default by Seller of any Purchased Contract or applicable law, (f) Liens created by or through Buyer or any of its Affiliates, (g) minor defects of title, easements, rights-of-way, restrictions and other Liens not materially interfering with the present use of any Real Property or the Station, (h) Liens that will be released prior to or as of the Initial Closing Date or License Closing Date, as applicable, including, without limitation, all mortgages and security interests securing indebtedness of Seller, (i) non-exclusive licenses of Intellectual Property granted in the ordinary course of business, and (j) Liens designated as Permitted Liens on Schedule 2.6, if any.

(b) Except as set forth on Schedule 1.1(b) or Schedule 1.2(d), as applicable, each material item of Tangible Personal Property is in good operating condition, ordinary wear and tear excepted.

2.7 Real Property/Leases.

(a) Schedule 1.1(c)(i) lists the address of all Owned Real Property. Seller has good and marketable fee simple title to the Owned Real Property free and clear of Liens, other than Assumed Obligations, the License Closing Assumed Obligations and Permitted Liens. Neither Seller nor any of its Affiliates is obligated under, nor is a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Owned Real Property or any portion thereof or interest therein. Seller has not leased or otherwise granted to any Person the right to use or occupy any of the Owned Real Property or any portion of the income or profits from the sale, operation or development thereof.

(b) Neither Seller nor, to Seller's Knowledge, any other party to any Real Property Lease has violated any provision of, or committed or failed to perform any act which, with notice, lapse of time or both, would constitute a material default under the provisions of any of the Real Property Leases. Schedule 2.7(b) includes a list of all Real Property Leases. Except as set forth on Schedule 2.7(b), Seller has a good and valid leasehold interest in the Real Property subject to the Real Property Leases (the "Leased Real Property"). Except as set forth on Schedule 2.7(b), Seller has not subleased, licensed or otherwise granted any Person the right to use or occupy any Leased Real Property which is the subject of any Real Property Lease. Seller has not collaterally assigned or granted any other security interest in any Real Property Lease, other than Permitted Liens. The Owned Real Property and Leased Real Property constitute all real property used or held for use primarily in the conduct of the Business. The Owned Real Property includes, and the Real Property Leases provide, sufficient access to the Station's facilities.

(c) There is not pending nor, to Seller's Knowledge, threatened any (i) zoning application or proceeding, (ii) condemnation, eminent domain or taking proceeding or (iii) other action relating to any Owned Real Property or portion thereof or interest therein or, to Seller's Knowledge, any Leased Real Property. Seller has not received written (or, to Seller's Knowledge, other) notice of default or violations in connection with any material permits required for the occupancy and operation of the Real Property.

(d) Except as set forth on Schedule 2.7(d), (i) there is legal and practical access to the Real Property and the Real Property is served by all utilities and services necessary for the proper and lawful conduct and operation of the Business as currently conducted, and (ii) the buildings, improvements and fixtures on the Owned Real Property are in good operating condition and repair, subject to normal wear and tear, and are available for immediate use in, and are otherwise suitable for, the operation of the Business, including the Station, as currently conducted.

(e) The Improvements are in good condition and repair, and adequate to operate such facilities as currently used, and the towers, antennae, fixtures and Improvements on the Real Property are suitable for the current operation of the Business. To Seller's Knowledge, there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the Business. For the purposes hereof, "Improvements" shall mean all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof located on any Owned Real Property, and all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof located on any real property leased, subleased or licensed under any Real Property Lease which are owned by Seller, regardless of whether title to such buildings, structures, improvements or fixtures are subject to reversion to the landlord or other third party upon the expiration or termination of such Real Property Lease.

2.8 Contracts.

(a) Schedule 1.1(d), Schedule 1.2(c) and Schedule 5.6(b) collectively set forth a true and complete list of all contracts, agreements, licenses and leases that relate to the Business or the ownership of the Purchased Assets (including all contracts for the sale of advertising time, programming and film contracts, syndication contracts, national sales representation contracts, employment contracts, retransmission contracts and network affiliation contracts, Employment Contracts, Real Property Leases, income-producing leases and agreements and Multi-Station Agreements), other than (a) contracts for the sale of time on the Station which are for cash consistent with prior practices for the periods in question and with not more than twelve (12) months remaining in their terms or (b) contracts which (i) were entered into in the ordinary course of business and which are terminable by Buyer after the Initial Closing on thirty (30) days' notice or less without penalty or premium, or (ii) are not reasonably expected to impose monetary obligations on Seller in 2013 in excess of \$50,000 and which impose no material restrictions on the operation of the Business (including on the use of any material Intangible Property). There are no capital leases that relate to the operation of the Business or the ownership of the Purchased Assets.

(b) Each of the Purchased Contracts is in full force and effect and is binding upon Seller and, to Seller's Knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered a proceeding in equity or at law)). Seller has performed its obligations under each of the Purchased Contracts in all material respects and is not in material default thereunder, and to Seller's Knowledge, no other party to any of the Purchased Contracts is in default thereunder in any material respect.

(c) Unless listed on Schedule 1.1(d), Schedule 1.2(c) or Schedule 5.6(b), Seller's rights, title and interest in and to each of the Purchased Contracts are fully assignable to Buyer without the consent, approval or waiver of any other Person and the assignment of such Purchased Contracts will give no party thereto the right to terminate such Purchased Contract, as applicable.

(d) None of the Purchased Contracts, as applicable, provide for delayed or deferred payments, other than increases or delays in payments as set forth in such Purchased Contracts, as applicable, and no payments to Seller have been accelerated other than in accordance with the terms set forth in the Purchased Contracts, as applicable, in each case, in a manner that would give rise to any liability that would not be treated as a current liability under GAAP.

2.9 Environmental. Except as set forth on Schedule 2.9, and except as would not reasonably be expected to result in Seller, or any owner or operator of the Business or the Real Property incurring material liability under any applicable Environmental Law (as defined below), (a) Seller is and has been in compliance with all Environmental Laws applicable to the Business, the Purchased Assets and the Real Property, which compliance includes obtaining, maintaining and complying in all material respects with all permits, licenses or other authorizations required by Environmental Law for the operation of the Business, (b) no claims are pending or, to the Knowledge of Seller, threatened against Seller, the Business, the Purchased Assets or the Real Property alleging a violation of or liability under Environmental Laws, (c) there are no conditions resulting from the operations of the Business or existing at or resulting from the Purchased Assets or any Real Property that would result in the owner or operator of the Business or the Real Property incurring liability under Environmental Laws, (d) the operations of the Business do not exceed the permissible levels of exposure to RF radiation specified in the Communications Laws or under Environmental Laws and (e) Seller has made available to Buyer copies of all material non-privileged environmental assessments, audits, investigations or other similar environmental reports relating to the Business, the Purchased Assets or the Real Property that are in the possession, custody or control of Seller. For purposes of this Agreement, the following terms have the following meanings: (i) "Environmental Law" shall mean any and all federal, state or local laws (including common law), statutes, rules, regulations, codes, policies, ordinances, orders, injunctions and directives, in effect on or prior to the Initial Closing Date: (a) related to releases or threatened releases of, or exposure to, any Hazardous Materials; (b) governing the use, treatment, storage, disposal, transport or handling of Hazardous Materials; or (c) related to pollution or the protection of the Environment or human or worker health and safety (with respect to management of or exposure to hazardous substances). Such Environmental Laws include, without limitation, the following federal laws: the Resource

Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Emergency Planning & Community Right-to-Know Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Occupational Health and Safety Act, as it relates to management of or exposure to hazardous substances, and the Toxic Substances Control Act. (ii) “Hazardous Materials” shall mean all materials, substances or wastes classified, characterized or regulated as “hazardous,” “toxic,” “pollutant” or “contaminant,” or words of similar meaning, defined, listed, classified, regulated or prohibited under any Environmental Law. (iii) “Environment” shall mean means surface waters, ground waters, surface water sediment, soil, subsurface strata, buildings, indoor air, ambient air and other environmental medium.

2.10 Intangible Property. Schedule 2.10(a) contains a description of (i) the Intangible Property (including Internet domain names) that is registered or patented, or the subject of an application for registration or patent, with the U.S. Patent and Trademark Office (or any equivalent foreign offices) and (ii) the software included in the Intangible Property that is owned by Seller. The Intangible Property required to be described on Schedule 2.10(a) is subsisting and, to Seller’s Knowledge, valid and enforceable, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) Except as set forth on Schedule 2.10(b), (i) the operation of the Business does not infringe, misappropriate or otherwise conflict with any third Person’s Intellectual Property, (ii) to Seller’s Knowledge, none of the Intangible Property is being infringed, misappropriated or otherwise conflicted with by any third party, (iii) no Intangible Property is the subject of any pending or, to Seller’s Knowledge, threatened Action claiming infringement or misappropriation of or other conflict with any third party’s Intellectual Property by Seller or the Business, and (iv) in the past four (4) years, Seller has not received any written (or, to Seller’s Knowledge, other) claim or notice asserting that the operation of the Business infringes, misappropriates or otherwise conflicts with the Intellectual Property of any other Person or challenging the ownership, use, validity or enforceability of any material Intangible Property, and, to Seller’s Knowledge, there is no reasonable basis for any of the foregoing. To Seller’s Knowledge, Seller is the owners of or has the right to use the Intangible Property free and clear of Liens, other than Assumed Obligations and Permitted Liens.

(c) Subject to obtaining any required consents set forth on Schedule 5.5(a), and except for the Seller Marks, from and after Initial Closing or the License Closing, as applicable, the Intangible Property shall be owned or available for use by Buyer on terms and conditions that are identical to the terms and conditions under which Seller owned or used such Intellectual Property immediately prior to the Initial Closing.

(d) Except as set forth on Schedule 2.10(d), the computer systems, including the software, firmware, hardware, networks, interfaces, platforms and related systems currently owned, leased or licensed by Seller in the operation of the Business (collectively, the “Business Systems”) are sufficient for the immediate and reasonably anticipated future needs of the Business. The Business Systems shall be owned or available for use by Buyer after the Initial

Closing on terms and conditions identical to the terms and conditions under which Seller owned or used such Business Systems immediately prior to the Initial Closing.

2.11 Employees; Labor Matters.

(a) Except as set forth on Schedule 2.11, Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Business, including those which relate to wages, hours, terms and conditions of employment, discrimination in employment and collective bargaining, equal opportunity, harassment, immigration, disability, workers' compensation, unemployment compensation and occupational health and safety. Except as set forth on Schedule 2.11, there is, and since January 1, 2012, there has been, no unfair labor practice charge against Seller in respect of the Business pending or, to Seller's Knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, nor has any written complaint pertaining to any such charge or potential charge been filed against Seller, and there is, and for the past three (3) years has been, no strike, unfair labor practice, request for representation, slowdown or stoppage pending or, to Seller's Knowledge, threatened in respect of the Business.

(b) Other than the collective bargaining agreements set forth on Schedule 5.6(b) (the "Collective Bargaining Agreements"), Seller is not party to any collective bargaining, union or similar agreement with respect to the Employees, and, to Seller's Knowledge, other than the Labor Unions parties to the Collective Bargaining Agreements ("Labor Unions"), no union or other labor organization represents or claims to represent or is attempting (or within the past three (3) years has attempted) to organize such Employees. To Seller's Knowledge, there are, and for the past three (3) years have been, no ongoing or threatened union decertification activities relating to Employees. With respect to the transactions contemplated by this Agreement, any notice required under any law or Collective Bargaining Agreement has been given, and all bargaining obligations have been or prior to March 1, 2013 will be satisfied.

(c) Schedule 2.11(c) sets forth a complete and correct list of each deferred compensation, incentive compensation, stock purchase, stock option, retention, severance or termination pay, hospitalization or other medical, life, or other insurance, supplemental unemployment benefits, profit-sharing, 401(k), pension or retirement plan, program or agreement, and each other material employee benefit plan, program, agreement, contract or policy, that currently is sponsored, maintained, or contributed to or required to be contributed to by Seller or by any trade or business, whether or not incorporated (an "ERISA Affiliate"), that together with Seller would be deemed a "single employer" within the meaning of Section 414 of the Code or Section 4001(b)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for the benefit of any Employee (collectively with the employment agreements or severance agreements referenced in Section 5.6(b), the "Benefit Plans"). Schedule 2.11(c) identifies each of the Benefit Plans that is an "employee welfare benefit plan" or "employee pension benefit plan" as such terms are defined in Sections 3(1) and 3(2) of ERISA. None of the Employees participate in a multiemployer pension plan (within the meaning of Section 4001(a)(3) of ERISA that is covered by Title IV of ERISA. Each of the Benefit Plans has been and is operated and administered in accordance with its terms in all material respects and in material compliance with applicable requirements of the Code, ERISA, and other

applicable Legal Requirements. Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a currently favorable determination letter from the Internal Revenue Service and, to Seller's Knowledge, nothing has occurred that would adversely affect the qualification of such Benefit Plan. With respect to each Benefit Plan to which Seller is obligated to contribute under the Collective Bargaining Agreements, all contributions for all periods ending prior to or on the License Closing Date shall have been made or will be made by Seller or its Affiliates.

(d) Except as disclosed on Schedule 2.11(d) and excluding any payments or benefits which would remain the sole liability of Seller, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (alone or in combination with any other event) (i) result in any payment becoming due to any Employee or satisfy any prerequisite to any payment or benefit to any Employee, (ii) increase any benefits or give rise to any liability under any Benefit Plan, or (iii) result in the acceleration of the time of a payment, vesting or funding of any such benefits under any Benefit Plan, or increase the amount of compensation or benefits due to any Employee or their beneficiaries.

2.12 Insurance. Seller maintains insurance policies or other arrangements with respect to the Business and the Purchased Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time and the License Closing Time, as applicable.

2.13 Compliance with Law; Permits. Except for Permitted Liens and except as set forth on Schedule 2.13, Seller has complied in all material respects with all laws, ordinances, codes, rules and regulations, and all decrees, judgments and orders of any Governmental Entity which are applicable to the Business in respect of the Business. Except as set forth on Schedule 2.13, (x) Seller holds all material licenses, franchises, permits, certificates, approvals and authorizations from governmental agencies necessary for the Business (collectively, "Permits"), (y) all such Permits are valid and in full force and effect and (z) Seller is in material compliance with the terms of all Permits and, to Seller's Knowledge, there is no Action pending or threatened regarding the suspension, revocation, or cancellation of any Permits.

2.14 Litigation. Except as set forth on Schedule 2.14, as of the date hereof, there is no legal or administrative claim, suit, action, complaint, charge, grievance, arbitration, audit, investigation, inquiry or other proceeding (each, an "Action") pending or, to Seller's Knowledge, threatened against Seller (i) pertaining to the Business or (ii) which would reasonably be expected to affect Seller's ability to perform its obligations under this Agreement or otherwise impede, prevent or materially delay the consummation of the transactions contemplated by this Agreement.

2.15 Financial Statements. Schedule 2.15 sets forth copies of the following un-audited financial statements from Seller's internal reporting system relating to the operation of the Station (such financial statements, collectively, the "Financial Statements") (a) the un-audited balance sheet as of the fiscal year ended December 31, 2011, (b) the un-audited statements of operations for the fiscal year ended December 31, 2011, and (c) the un-audited balance sheet as of December 31, 2012, and the related un-audited statement of operations for the fiscal year then ended. The Financial Statements have been derived from the books and

records of Seller relating to the Business and fairly present, in all material respects, the financial position and results of operations with respect to the Business as of the dates thereof and for the periods indicated therein in conformity with GAAP.

2.16 Absence of Changes. Since December 31, 2012, there have not been any events, changes or occurrences or state of facts that, individually or in the aggregate, have had or would reasonably be expected to have, a Material Adverse Effect on the Business. Since December 31, 2012, the Business has been operated in all material respects in the ordinary course of business consistent with past practice.

2.17 Purchased Assets; Sufficiency. Seller has good and valid title to, or a valid leasehold interest in, the Purchased Assets free and clear of all Liens (other than Permitted Liens). The Purchased Assets include all assets that are owned, leased or licensed by Seller and exclusively or primarily used or exclusively or primarily held for use in the Business, except for the Excluded Assets. Except as set forth on Schedule 2.17, the Purchased Assets constitute all the assets and properties (including, but not limited to, the Purchased Contracts and FCC Licenses), whether tangible or intangible, whether personal, real or mixed, wherever located, that are used in the Business and are sufficient to conduct the Business in the manner in which it is conducted on the date hereof and as of the Initial Closing Date.

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

ARTICLE 3 BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller as of the date hereof and as of the License Closing:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Transaction Documents") and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Transaction Documents and the consummation of the transactions contemplated hereby and thereby by Buyer have been duly authorized and approved by all necessary action of Buyer and its directors, officers and stockholders and do not require any further authorization or consent of Buyer or its directors, officers or stockholders. This Agreement is, and each Buyer Transaction Document when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by

bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the Governmental Consent, the execution, delivery and performance by Buyer of this Agreement and the Buyer Transaction Documents and the consummation by Buyer of any of the transactions contemplated hereby or thereby does not and will not conflict with, violate, result in a breach of the terms and conditions of, or, with or without notice or the passage of time, result in any breach, event of default or the creation of any lien under, any lease, contract or agreement to which Buyer is a party or to which its assets are subject, any organizational documents of Buyer, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party (other than required filings with the FCC and SEC).

3.4 Litigation. There is no Action pending or, to Buyer's Knowledge, threatened against Buyer which would reasonably be expected to affect Buyer's ability to perform its obligations under this Agreement or otherwise impede, prevent or materially delay the consummation of the transactions contemplated by this Agreement. "Knowledge" with respect to Buyer shall mean the actual knowledge of Perry Sook, Tom Carter and Elizabeth Ryder, the President and Chief Executive Officer, Chief Financial Officer and General Counsel of Buyer.

3.5 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Laws. Buyer is in compliance with Section 310(b) of the Communications Laws and the FCC's rules governing alien ownership. There are no facts or circumstances that would, under the Communications Laws and the existing procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. No waiver of or exemption from any provision of the Communications Laws and policies of the FCC is necessary for the FCC Consent to be obtained. To Buyer's Knowledge, there are no facts or circumstances that might reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify Buyer, (b) materially delay obtaining the FCC Consent or (c) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent.

3.6 Financing. Buyer has, or will have prior to the Initial Closing and License Closing, as applicable, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement.

3.7 Solvency. Assuming (a) the satisfaction of the conditions in Article 7 hereof, and (b) the accuracy in all material respects of the representations and warranties of Seller set forth in Article 2 hereof, then immediately after giving effect to the transactions contemplated by this Agreement Buyer shall be Solvent (as defined below). For purposes of this Agreement: (i) "Solvent", when used with respect to a Person, means that, as of any date of determination, (A) the Present Fair Salable Value (as defined below) of its assets will, as of such

date, exceed all of its liabilities, contingent or otherwise, as of such date, (B) such Person will not have, as of such date, an unreasonably small amount of capital for the business in which it is engaged or will be engaged and (C) Person will be able to pay its Debts as they become absolute and mature, in the ordinary course of business, taking into account the timing of and amounts of cash to be received by it and the timing of and amounts of cash to be payable on or in respect of its indebtedness, in each case after giving effect to the transactions contemplated by this Agreement, and the term “Solvency” shall have a correlative meaning; (ii) “Debt” means liability on a “claim”; (iii) “claim” for purposes of this Section 3.7 means (A) any right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or (B) the right to an equitable remedy for a breach in performance if such breach gives rise to a right to payment, whether or not such equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; and (iv) “Present Fair Salable Value” means the amount that may be realized if the aggregate assets of such Person are sold as an entirety with reasonable promptness in an arm’s-length transaction under present conditions for the sale of comparable business enterprises.

3.8 Projections and Other Information. Buyer acknowledges that, with respect to any estimates, projections, forecasts, business plans, budget information and similar documentation or information relating to Seller, and the Business that Buyer has received from Seller, any of its Affiliates or Seller’s advisors, (a) Buyer is not relying on such documentation in making its determination with respect to signing this Agreement or completing the transactions contemplated hereby, (b) there are uncertainties inherent in attempting to make such estimates, projections, forecasts, plans and budgets, (c) Buyer is familiar with such uncertainties, (d) Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it, and (e) Buyer does not have, and will not assert, any claim against Seller, its Affiliates or any of their directors, officers, members, managers, employees, Affiliates or representatives, or hold Seller or any such Persons liable, with respect thereto. Buyer represents and warrants that neither of Seller nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and neither Seller nor any of its Affiliates or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or its representatives or Buyer’s use of, any such information, including publications or data room information provided to Buyer or its representatives, or any other document or information in any form provided to Buyer or its representatives in connection with the sale of the Purchased Assets and the transactions contemplated hereby. Notwithstanding anything herein to the contrary, nothing in this Section 3.8 will in any way limit Buyer’s rights (including under Section 7.1(a)(i) and Article 9) with respect to representations and warranties of Seller explicitly included in Article 2.

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

3.10 Buyer Superseding Contracts. With respect to each Section 1.3(r) Contract, Buyer (i) has a valid and binding contract with the applicable counterparty to such Section 1.3(r) Contract (each a “Buyer Superseding Contract”), and (ii) pursuant to the terms of such Buyer Superseding Contract, the Station(s) subject to such Section 1.3(r) Contract will, upon the Initial Closing, be subject to and governed solely by the terms and conditions of such Buyer Superseding Contract.

ARTICLE 4 CERTAIN COVENANTS

4.1 Seller’s Covenants. Between the date hereof and the License Closing, except as permitted by this Agreement or as specifically permitted in any schedule to any subsection of Schedule 4.1 or required by applicable law or the regulations or requirements of any regulatory organization applicable to Seller, unless Buyer otherwise consents in writing (which request for consent shall, notwithstanding the provisions of Section 11.4, be directed to and promptly considered in accordance with the terms and conditions of this Section 4.1 by the Buyer Principal Liaisons (as defined below) and which consent shall not be unreasonably withheld, conditioned or delayed) and in all cases subject to the terms and conditions of the TBA, Seller shall:

(a) operate the License Assets and conduct Seller’s operations under the TBA in all material respects in accordance with the Communications Laws and with all other applicable Legal Requirements;

(b) (i) not materially adversely modify any of the FCC Licenses and shall maintain all of the FCC Licenses in full force and effect or (ii) change the Station’s call letters;

(c) not enter into any interference acceptance agreement with another FCC licensee that would reasonably be expected to result in electrical interference to the Station in excess of the applicable interference level permitted under the Communications Laws;

(d) other than in the ordinary course of business or for the purpose of disposing of obsolete or worthless assets, not (i) sell, lease, license or dispose of or agree to sell, lease, license or dispose of any of the License Assets unless replaced with similar items of substantially equal or greater value and utility, (ii) create, assume or permit to exist any Liens upon the License Assets, except for Permitted Liens or (iii) dissolve, liquidate, merge or consolidate with any other entity;

(e) maintain and replace the Tangible Personal Property set forth on Schedule 1.2(d), in each case in the ordinary course of business;

(f) except for agreements and contracts which will be terminable by Buyer, without penalty, upon notice of sixty (60) days or less, not (i) enter into any agreement or contract (x) for the use of any digital subchannel of the Station, unless terminable on notice of 90 days or less, and (y) that would have been a Purchased Contract were Seller a party or subject thereto on the date of this Agreement unless such agreement or contract (A) is entered into in the ordinary course of business and (B) does not involve payments by Seller of greater than \$25,000 during any twelve (12) month period, (ii) amend in any material respect any Purchased Contract

unless such amendment (A) is effected in the ordinary course of business and (B) does not increase the amount of payments to be made by Seller during any twelve (12) month period by \$15,000 or more or (iii) terminate or waive any material right under any Purchased Contract other than in the ordinary course of business (excluding the expiration of any Purchased Contract in accordance with its terms) (it being understood that if any such entry into, or amendment or termination of any such agreement or contract is permitted pursuant to this Section 4.1 as a result of the references to acts taken in the ordinary course of business, but such action would otherwise be prohibited by any other provision of this Section 4.1, then this Section 4.1 shall not be interpreted to permit such action without the prior written consent of Buyer as contemplated hereby);

(g) promptly enter into, and comply with the terms of, tolling, assignment and escrow agreements on customary terms and conditions, as necessary and requested by the FCC to facilitate grant of the FCC Application with respect to the Station;

(h) not take any action, or omit to take any action, or enter into any agreement or contract which would, or would reasonably be expected to, prevent or interfere with the successful prosecution of the FCC Application or the consummation of the transactions contemplated by this Agreement, or which is or would be inconsistent with any FCC Application or the consummation of the transactions contemplated by this Agreement;

(i) maintain in full force and effect policies of insurance of the same type and character as the policies set forth in Section 2.12, and in such coverage amounts as Seller shall deem necessary and reasonable with respect to the License Assets;

(j) maintain its qualifications to hold the FCC Licenses with respect to the Station and not take any action that will materially impair such FCC Licenses or such qualifications, or cause the grant of FCC Consent to be materially delayed;

(k) not (i) terminate or transfer the employment of the Station general manager or hire, terminate or transfer any other Employee with annual aggregate non-equity compensation, including target bonuses, in excess of \$75,000, excluding any terminations for “cause” as reasonably determined by Seller, (ii) enter into any employment agreement with an Employee providing for annual compensation in excess of \$75,000, (iii) enter into any severance agreement, and (iv) enter into any labor, or union agreement or plan without Buyer’s consent which, in addition to not being unreasonably withheld, conditioned or delayed, shall be provided consistent with Seller’s legal obligations, including its good faith bargaining obligations (provided, however, Seller shall notify Buyer promptly of all such bargaining and allow Buyer to give Seller its input with respect to any negotiations, subject to Seller’s good faith bargaining obligations);

(l) not (i) other than salary increases for non-officer Employees in the ordinary course of business consistent with past practice, materially increase the compensation to any Employee, and not exceeding 3% of such employee’s salary and bonus or incentive compensation or hourly wage, as applicable, or (ii) modify any severance policy applicable to any Employee that would result in any increase in the amount of severance payable to any such employee (or would expand the circumstances in which such severance is payable);

(m) not communicate to any Employee any information regarding the prospective terms and conditions of his or her employment with Buyer which is not expressly stated in this Agreement; and

(n) not agree, commit or resolve to take any actions inconsistent with the foregoing.

ARTICLE 5 JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality. Seller and Buyer are parties to a nondisclosure agreement (the “NDA”) with respect to Seller and its stations. Notwithstanding anything to the contrary contained in the NDA, Buyer’s obligations under the NDA shall terminate upon the Initial Closing to the extent such obligations relate to the Purchased Assets.

5.2 Announcements. No party shall, without the prior written consent of the other, issue any press release or make any other public announcement, except that the parties shall cooperate to make a mutually agreeable announcement of this transaction on the Initial Closing Date. To the extent that either party is obligated by law or any rule or regulation of any securities exchange upon which the securities of such party are listed or traded, in which case such party shall give advance notice to the other, such party shall make such disclosure and shall not characterize the transactions hereunder in any manner inconsistent with the mutually agreeable announcement.

5.3 Control. Notwithstanding any other provision set forth in this Agreement and subject to the terms of the TBA, Buyer shall not, directly or indirectly, control, supervise or direct the business or operations of the Station prior to the License Closing. Consistent with the Communications Laws, control, supervision and direction of the operation of the Station prior to the License Closing shall remain the responsibility of Granite License as the holder of the FCC Licenses.

5.4 Risk of Loss. Buyer shall bear the risk of any loss or damage to the Non-License Assets after the Effective Time.

5.5 Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Purchased Contract as applicable (which shall not require any payment to any such third party), and (ii) estoppel certificates reasonably acceptable to Buyer from lessors under any Real Property Leases requiring consent to assignment (if any), but no such third party consents or estoppel certificates are conditions to the Initial Closing or the License Closing except for consents and estoppel certificates with respect

to the License Closing Contracts identified on Schedule 5.5(a) (the “Required Consents”) are conditions to the License Closing.

(b) To the extent that any Purchased Contract may not be assigned without the consent of any third party, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Purchased Contract; provided, however, with respect to each such Purchased Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Purchased Contract from and after the Initial Closing or License Closing, as applicable, and to the extent of the benefits received, Buyer shall pay and perform Seller’s obligations arising under the Purchased Contract from and after the Initial Closing in accordance with its terms and indemnify and hold harmless Seller and its Affiliates for any costs, expenses or liabilities (including reasonable legal fees and expenses) incurred by them in connection with the enforcement of such Purchased Contract as it relates to any period after the Effective Time, and Buyer and Seller shall continue to use commercially reasonable efforts after License Closing to obtain consents to assign such Purchased Contracts.

5.6 Employees.

(a) Schedule 5.6(a) sets forth a list as of the date hereof showing employee names, positions, departments, salary, target incentive bonus and status for all employees of Seller engaged directly in the Business (the “Employees”), it being understood that any employee of Seller whose principal work location is at Seller’s headquarters or whose employment responsibilities relate substantially to the corporate operations of Seller taken as a whole shall be deemed not an Employee for any purpose hereunder.

(b) Schedule 5.6(b) sets forth a list as of the date hereof of any employment and severance agreements with Employees, agreements with independent contractors providing personal services, or Collective Bargaining Agreements (the “Employment Contracts”). Seller shall update Schedule 5.6(b) as provided by Section 4.1 which shall be no later than February 17 for all Employees except for the Control Employees which shall be no later than five (5) business days before the License Closing Date. On March 1, 2013, Seller shall assign to Buyer, and Buyer shall assume from Seller (and Buyer shall thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms) all liabilities and obligations arising out of, or attributable to, any period of time after March 1, 2013, with respect to the Employment Contracts (the “Employment Obligations”). On March 1, 2013, Buyer and Seller shall execute and deliver to each other an Assignment and Assumption of Employment Obligations in the form attached hereto as Exhibit I. For the avoidance of doubt, (i) performance and stay bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement will not constitute Employment Obligations, and (ii) severance obligations with respect to any employee covered by a Collective Bargaining Agreement as a result of a termination of employment by Buyer on or after March 1, 2013 will constitute Employment Obligations notwithstanding any provision in the Collective Bargaining Agreement imposing such liability on Seller or its Affiliates.

(c) Buyer shall offer employment in accordance with the provisions of this Section 5.6, and as adjusted by Section 4.1, to (i) each of the Employees listed on Schedule

5.6(c) (the “Control Employees”) effective as of the License Closing Date, and (ii) each other Employee listed on Schedule 5.6(a) effective as of March 1, 2013 (provided such Employee is employed as of such date). Such offers of employment pursuant to the preceding sentence to the Employees who are not on short-term or long-term disability shall be made not later than ten (10) calendar days prior to the applicable effective date and must remain outstanding for at least five (5) business days but in no event later than the “applicable effective date.” Notwithstanding the foregoing, the offers of employment to any Employee who is covered by (x) any of the Collective Bargaining Agreements identified on Schedule 5.6(b) (collectively, the “Union Employees”) shall be made in accordance with the terms and conditions set forth in the applicable Collective Bargaining Agreement and (y) a written employment agreement shall take the form of assuming such employment agreement and otherwise shall be made in accordance with the terms and conditions set forth in the applicable employment agreement. Buyer’s offer of employment to each Employee on short-term or long-term disability who is not actively employed as of the applicable effective date shall be made promptly when such Employee is eligible to return to active service at any time within the six-month period following the applicable effective date, or if longer, during the period Employee has a right to re-employment under applicable law. Employees whose employment with Seller terminates and who accept or are treated by Buyer as accepting such offers of employment by and actually commence employment with Buyer (or its Affiliates) in accordance with this Section 5.6 are referred to collectively herein as the “Transferred Employees.” Subject to the preceding obligations with respect to Union Employees, Buyer shall hire each Transferred Employee at the same (or greater) salary, hourly wage rate, overtime and premium pay they receive from Seller as of the date hereof; and for a one year period following the applicable effective date (provided the applicable Transferred Employee is still employed by Buyer), Buyer shall provide each Transferred Employee with (i) substantially similar (or greater) target bonus, commission and incentive pay opportunity as applicable to similarly situated employees of Buyer having the same or similar job functions and responsibilities and seniority as such Transferred Employee and (ii) employee benefits that are substantially similar in the aggregate to those provided to similarly situated employees of Buyer. On each of March 1, 2013, and the License Closing Date Buyer shall provide Seller with a list of the Transferred Employees. Unless otherwise provided under the terms of an Employment Contract, each Transferred Employee shall be employed by Buyer on an at will basis and nothing shall prohibit Buyer from terminating the employment of any such Transferred Employees at any time after the applicable effective date of their employment with Buyer or changing any of the terms and conditions of employment related to such Transferred Employees at any time, except for such changes that are inconsistent with Buyer’s obligations as set forth in this Section 5.6.

(d) In the case of each Transferred Employee under a written Employment Contract, Buyer shall assume Seller’s obligations under such Employment Contract as of the applicable effective date of their employment with Buyer. For the avoidance of doubt, without limiting the foregoing, Buyer shall not assume any written employment agreement identified on Schedule 5.6(b), nor owe any obligation to, any Employee who is not a Transferred Employee (except pursuant to the Time Brokerage Agreement).

(e) If any Employee to whom Buyer has offered employment in accordance with this Section 5.6 does not consent to employment with Buyer or for any other reason (other than rescission of such offer by Buyer) does not commence employment with Buyer and

severance benefits are owed to such employee as a result, such severance benefits will be paid by Seller.

(f) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its “employee welfare benefit plans” (including without limitation health insurance plans) and “employee pension benefit plans” (as defined in Section 3(1) and 3(2) of ERISA, respectively) in which similarly situated employees of Buyer are generally eligible to participate, with coverage effective immediately on the applicable effective date of their employment with Buyer (and without exclusion from coverage on account of any pre-existing condition except to the extent such persons were subject to such pre-existing condition limitations under Seller’s group health plan). Employees’ service with Seller (and any predecessors of Seller) will be deemed as service with Buyer for purposes of eligibility, waiting periods, vesting periods (but not benefit accrual) based on length of service, and calculation of vacation and severance benefits, if applicable.

(g) Effective as of the applicable effective date of their employment with Buyer or the payroll period ending immediately thereafter, Seller shall have contributed to Seller’s 401(k) plan all matching or other employer contributions, if any, with respect to the Transferred Employees’ employment service rendered prior to the applicable effective date of their employment with Buyer (irrespective of any end-of-year service requirements otherwise applicable to such contributions) and cause the matching and other employer contribution amounts of all Transferred Employees under the Seller 401(k) Plan to become fully vested as of such date. Following the applicable effective date of their employment with Buyer, Seller shall take all actions necessary or appropriate to ensure that under the terms of the Seller 401(k) plan, each Transferred Employee with an account balance is eligible to receive a distribution as a result of their separation from employment with Seller as of the applicable effective date of their employment with Buyer. From and after the applicable effective date of their employment with Buyer, Buyer shall permit each Transferred Employee who participates in Seller’s 401(k) plan to elect to make direct rollovers of their account balances (including any outstanding loan balances) into Buyer’s 401(k) plan as of the applicable effective date of their employment with Buyer (or as soon as practicable thereafter when Buyer’s 401(k) plan is capable of accepting such rollovers), subject to compliance with applicable law and subject to the reasonable requirements of Buyer’s 401(k) plan.

(h) To the extent permitted by applicable Legal Requirements and, with respect to sick leave, not to exceed the maximum amount of sick leave afforded to similarly situated employees of Buyer (after giving credit for past service with Seller and its predecessors and Affiliates), unless required by an Employment Contract each Transferred Employee will be credited (i) under Buyer’s sick leave policy with the lesser of forty (40) hours (subject to any applicable Collective Bargaining Agreement or Employment Agreement) or the full amount of sick leave accrued by such Transferred Employee but unused as of the applicable effective date of their employment with Buyer, determined under the sick leave policy of Seller applicable to such Transferred Employee and (ii) under Buyer’s vacation leave policy with such prorated vacation time as would be available to such Transferred Employee under Buyer’s employment policies afforded to similarly situated employees of Buyer (after giving credit for past service with Seller and its predecessors and Affiliates), subject to any applicable Employment Contract, for the portion of the calendar year following the applicable effective date of their employment

with Buyer. To the extent that any unused vacation is not credited to any Transferred Employee under this Section 5.6(h), Seller will pay to each such Transferred Employee the cash value of such unused vacation as required by applicable Legal Requirements.

(i) All workers' compensation obligations relating to, arising out of or resulting from any claim by any Employee that results from an injury that occurred prior to the applicable effective date of their employment with Buyer shall be retained by Seller. All workers' compensation obligations relating to, arising out of or resulting from any claim by a Transferred Employee that results from an injury that occurs after the applicable effective date of their employment with Buyer shall be the exclusive responsibility of the Buyer. Seller further agrees that (i) any Employee, including any Transferred Employee, who has received an offer of employment from Buyer but has not yet commenced employment with Buyer and who as of the applicable effective date of their employment with Buyer is receiving or is entitled to receive short-term or long-term disability benefits under Seller's short-term or long-term disability benefit plans shall receive or continue to be paid such benefits after the applicable effective date of their employment with Buyer in accordance with the terms of the disability plans of Seller and (ii) Buyer shall have no obligation to provide any disability or other benefits or compensation to any such Person unless and until they become a Transferred Employee.

(j) Buyer or its Affiliates will have responsibility for complying with the continuation coverage requirements under Section 4980B of the Code ("COBRA") solely for the Transferred Employees. Buyer shall have no responsibility at any time arising under or in connection with COBRA with respect to any individual who is a former employee of Seller as of immediately prior to March 1, 2013.

(k) The parties expressly acknowledge and agree that nothing contained in this Section 5.6 or any other provision of this Agreement, shall (i) be construed to establish, amend, or modify any benefit or compensation plan, program, agreement, contract, policy or arrangement of Seller or Buyer, (ii) limit the ability of Buyer or any of its Affiliates to amend, modify or terminate any benefit or compensation plan, program, agreement, contract, policy or arrangement at any time assumed, established, sponsored or maintained by any of them, (iii) create any third-party beneficiary rights or obligations in any Person (including any Employee, Transferred Employee, or Labor Union) other than the parties to this Agreement or create a contract between Buyer, Seller, or any of their respective Affiliates on the one hand and any employee of Seller on the other hand, and no employee of Seller may rely on this Agreement as the basis for any breach of contract claim against Buyer or Seller, (iv) be deemed or construed to require Buyer or any of its Affiliates to continue to employ any particular employee of Seller for any period after the License Closing, or (v) be deemed or construed to limit Buyer's or any of its Affiliates' right to terminate the employment of any Transferred Employee during any period on or after the applicable effective date of their employment with Buyer or confer on any Person any right to employment or continued employment or to a particular term or condition of employment with Buyer or any of its Affiliates.

(l) Schedule 5.6(a) separately identifies each Employee who is represented by a Labor Union (and specifies which such Labor Union) as of the date hereof. Buyer shall adopt each Collective Bargaining Agreement listed on Schedule 5.6(b) and assume all obligations with respect to any Transferred Employee under such Collective Bargaining Agreement that arise out

of, or are attributable to, the period after March 1, 2013. To the extent required by applicable law, Buyer shall recognize each Labor Union as the exclusive representative of the specific group of Transferred Employees that such Labor Union represents pursuant to any assumed Collective Bargaining Agreement to which it is a party.

5.7 Accounting Services; Access to and Retention of Records.

(a) During the first sixty (60) days after the Initial Closing, Buyer shall provide to Seller at no additional cost the reasonable services of the Business' business offices, together with reasonable access to related systems and records, for the purposes of closing the books of the Business for the period prior to the Initial Closing, all substantially in accordance with the procedures and practices applied by Buyer's business offices, as amended from time to time.

(b) From and after the Initial Closing Date, Buyer shall preserve, in accordance with Buyer's normal document retention procedures and practices, all books and records transferred by Seller to Buyer pursuant to this Agreement and shall provide Seller a reasonable opportunity to access and obtain copies, at Seller's expense, of any such books and records. In addition to the foregoing, from and after the Initial Closing or the License Closing, as applicable, Buyer shall afford to Seller, and its counsel, accountants, and other authorized agents and representatives, at Seller's expense, during normal business hours, reasonable access to the employees, books, records and other data relating to the Purchased Assets, the Assumed Obligations, the License Closing Assumed Obligations or the Transferred Employees in its possession with respect to the periods prior to the Initial Closing or the License Closing, as applicable, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by Seller (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against Seller, (b) for the preparation of Tax Returns and audits and (c) for any other reasonable and proper business purpose, provided in each case that such access does not unreasonably disrupt the business and operations of the Business or of Buyer.

5.8 Further Action. In furtherance (and not in limitation) of the provisions set forth in this Agreement, at all times prior to the License Closing, Buyer and Seller shall (a) use their respective commercially reasonable efforts to take or cause to be taken all action necessary or desirable in order to consummate the transactions contemplated by this Agreement as promptly as is practicable; and (b) comply with the terms and perform each of their respective obligations under the TBA.

5.9 Notice. Each party will give prompt written notice to the other party of any fact or condition that causes or constitutes a breach of any of its representations, warranties or covenants in this Agreement, or of any action, suit, proceeding or investigation that is instituted or threatened against such party to restrain, prohibit or otherwise challenge the legality or propriety of any transaction contemplated by this Agreement. Without limiting the foregoing, pending the License Closing, Seller shall give Buyer prompt written notice of the occurrence of any of the following of the following:

(a) the commencement of any proceeding before the FCC or any other Governmental Entity involving any of the FCC Licenses or which could have a Material Adverse Effect, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a disproportionate impact on the Business or the Station as compared with other broadcast television stations generally;

(b) any violation by Seller with respect to the License Assets of any Legal Requirement which would reasonably be expected to have a Material Adverse Effect;

(c) any material labor grievance, material controversy, strike or material dispute affecting the Business or the Stations and the scheduling of any bargaining discussions with the certified bargaining unit;

(d) any notice received by Seller of any material breach, material default, claimed material breach or material default or termination of any contract, agreement, lease or license that, if it were in effect on the License Closing Date, would be a Purchased Contract;

(e) any material correspondence received by Seller from or sent by Seller to any MVPD concerning must carry status, retransmission consent and other matters arising under the Communications Laws, including any material correspondence related to the status of negotiations with any MVPD; and

(f) to the extent Seller has Knowledge thereof, the loss of carriage or change in channel position of the Station on any MVPD or the cessation of broadcasting or failure of the Station to broadcast at least 80% of its authorized power for more than twenty-four (24) consecutive hours, or any other development which has a Material Adverse Effect on the operation of the License Assets.

5.10 Accounts Receivable and Accounts Payable.

(a) On or as soon as practicable after the Initial Closing Date, but in no event later than ten (10) business days after the end of the calendar month in which the Initial Closing occurs, Seller will deliver to Buyer a statement setting forth the outstanding accounts receivable of the Business as of the Effective Time (the “Accounts Receivable”).

(b) Subject to the terms and provisions in this Section 5.10, Buyer will collect the Accounts Receivable in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable including account reconciliation procedures for a period of 120 calendar days following the Initial Closing Date (the “Collection Period”). Buyer will not be obligated to, and without the prior written consent of Seller will not, institute litigation, employ any collection agency, legal counsel, or other third party, or take any other extraordinary means of collections or pay any expenses to third parties to collect the Accounts Receivable. All amounts collected by Buyer after the Initial Closing from an account debtor will be applied first to the Accounts Receivable of such account debtor in the order of their origination, unless the account debtor disputes such Accounts Receivable in writing or designates payment of a different Accounts Receivable in writing. If during the Collection Period a dispute arises with regard to an account included among the Accounts Receivable, Buyer shall promptly advise Seller thereof and may (or, if requested by Seller, shall) return that account to Seller. Buyer shall

not issue any credit or accommodation against any Accounts Receivable without the prior written consent of Seller.

(c) Buyer shall pay, within forty (40) calendar days after the end of the month of receipt of such Accounts Receivable, related commissions or bonuses due to Employees or national sales representatives (unless already paid by Seller or unless and to the extent an adjustment was made in Buyer's favor with respect thereto in the Initial Closing Date Adjustments) (such Accounts Receivable, less the applicable amount of such commissions and bonuses, the "Net Receivables"), as applicable (any payment to national sales representatives shall be reconciled to actual collections). Such commissions and bonuses shall be paid in consultation with Seller and consistent with its current business practices subject to holdbacks and offsets as reasonably directed by Seller and consistent with its current business practices.

(d) Except as otherwise provided in this Section 5.10, during the Collection Period, Buyer will use the Net Receivables collected to pay the accounts payable in a timely manner, provided, however, Buyer has no obligation to use its own funds in excess of the Net Receivables to pay accounts payable unless and to the extent an adjustment was made with respect thereto in Buyer's favor in the Initial Closing Date Adjustments. Within thirty (30) calendar days after the end of each month during the Collection Period, Buyer will deliver to Seller a written report, prepared in good faith and accompanied by reasonable supporting documentation, with respect to (i) the collections made with respect to the Accounts Receivable, (ii) the calculation of Net Receivables and (iii) payments remitted with respect to the accounts payable together with a copy of the invoices therefor. Such report shall be accompanied by a payment to Seller of the amount by which the collected Net Receivables paid during such month exceed the amount of the accounts payable during such month (excluding for this purpose the amount of any accounts payable to the extent an adjustment was made in Buyer's favor pursuant to in the Initial Closing Date Adjustments). The parties shall cooperate in good faith to answer any questions and resolve any issues raised by Seller in connection with its review of such report.

(e) Within forty (40) calendar days after the end of the Collection Period, Buyer shall deliver to Seller a final written report ("Final Report") which report shall be accompanied by a final payment to Seller of the amount by which the Net Receivables collected during the Collection Period exceeded the amount paid in respect of the accounts payable during the Collection Period less any interim amounts theretofore remitted to Seller (excluding for this purpose the amount of any accounts payable to the extent an adjustment was made in Buyer's favor pursuant to the Initial Closing Date Adjustments). The Final Report shall be prepared in good faith, accompanied by reasonable supporting documentation and contain (i) a statement of accounts for each account prepared in a manner consistent with Buyer's own record-keeping practices, (ii) copies of all invoices received by Buyer after the Initial Closing Date for periods ending on or before the Initial Closing Date and not previously provided to Seller pursuant to Section 5.10(b) and (iii) an Accounts Receivable aging report for the Business. Buyer shall use commercially reasonable efforts to deliver the Final Report to Seller in an electronic format. The parties shall cooperate in good faith to answer any questions and resolve any issues raised by Seller in connection with its review of the Final Report.

(f) Following the expiration of the Collection Period, Buyer shall have no further obligations pursuant to this Section 5.10, except to remit to Seller any amounts received by Buyer which can be specifically identified as a payment on account of any Accounts Receivable will be promptly paid over or forwarded to Seller.

(g) All amounts due to Seller or Buyer under this Section 5.10 that are not paid in accordance with the provisions hereof shall bear interest until paid at a rate per annum equal to the generally prevailing prime interest rate (as reported by *The Wall Street Journal*). The parties acknowledge and agree that Accounts Receivable collected by Buyer for Seller pursuant to this Section 5.10 shall not be subject to a right of offset for any claim by Buyer against Seller.

(h) After the Initial Closing, Seller, at its own expense, shall have the right to access and/or audit the books, records and operating practices and procedures of the Business, upon reasonable notice to Buyer and during the normal business hours of the Business, to confirm compliance by Buyer with the provisions of this Section 5.10.

(i) Notwithstanding anything to the contrary in this Section 5.10, the parties acknowledge and agree that Buyer shall not assume, or in any way become liable for, any liabilities or obligations of Seller of any kind or nature with respect to the accounts payable (excluding for this purpose the amount of any accounts payable to the extent an adjustment was made in Buyer's favor pursuant to the Initial Closing Date Adjustments). Buyer shall have no obligation to make payment respecting any accounts payable, if at such time, accounts payable exceed the amount of collected Net Receivables (excluding for this purpose the amount of any accounts payable to the extent an adjustment was made in Buyer's favor pursuant to the Initial Closing Date Adjustments). If at any time or from time to time during the Collection Period the amount owing in respect of any accounts payable exceeds the amount of available collected Net Receivables (excluding for this purpose the amount of any accounts payable to the extent an adjustment was made in Buyer's favor pursuant to the Initial Closing Date Adjustments), Buyer will promptly notify Seller of such deficit and Seller shall thereafter pay to Buyer such difference within thirty (30) calendar days after the delivery to Seller of such notice. If Seller shall not pay the deficit to Buyer within the time period specified, Buyer shall have the option in its sole discretion to pay such deficit, and Seller shall thereafter reimburse Buyer immediately for such amount, including interest at the rate set forth in Section 5.10(g) above. For the avoidance of doubt, Buyer shall not deduct from the Net Receivables to be paid to Seller any accounts payable to the extent Buyer received an adjustment in its favor pursuant to the Initial Closing Date Adjustments.

(j) Effective upon the Initial Closing Date and solely for purposes of facilitating Buyer's compliance with this Section 5.10, Seller hereby irrevocably constitutes and appoints Buyer, its successors and assigns, the true and lawful attorney of Seller with full power of substitution, in the name of Buyer, or the name of Seller, on behalf of and for the benefit of Seller, to collect the Accounts Receivables, to endorse, without recourse, checks, notes and other instruments in the name of Seller, to pay the Accounts Payables and to do all such further acts and things in relation thereto as is contemplated by Section 5.10 hereof. Seller agrees that the foregoing powers are coupled with an interest and shall be irrevocable by Seller except as provided herein. Each Seller further authorizes Buyer and its officers, successors and assigns to

receive and open all mail, telegrams, packages, electronic mail and other communications that are addressed to such Seller and that relate to the Business and/or any Purchased Asset, and to reply to and retain such communications. The preceding sentence constitutes full authorization to the postal authorities, express courier companies and other persons to make delivery of such communications directly to Buyer or to persons specified by Buyer. Seller confers this authority upon Buyer and its officers, successors and assigns on the condition that Buyer shall promptly forward to Seller all such mail, telegrams, electronic mail and other communications that do not relate solely to the Business or the Purchased Assets.

5.11 Cooperation. Buyer shall exercise reasonable efforts to cooperate with Seller to release any Liens on the Purchased Assets, which, (a) with respect to the Non-License Asset shall be released at the Initial Closing, and (b) with respect to the License Assets at the License Closing. Buyer acknowledges that Seller may make use of the proceeds from the Purchase Price for the repayment of indebtedness associated with any Liens on the Purchased Assets.

5.12 Tax Returns and Payments.

(a) All material Tax Returns, estimates, and reports with respect to the Purchased Assets or operation of the Business that are required to be filed by Seller prior to the Initial Closing Date or relating to periods prior to the Initial Closing Date or the License Closing Date or relating to periods prior to the License Closing Date, as applicable, will be timely filed when due with the appropriate taxing authorities or extension requests will have been timely filed and granted. All material Taxes pertaining to Seller's ownership of the Purchased Assets or Seller's operation of the Business prior to the Initial Closing Date or the License Closing Date, as applicable, will be paid by Seller when due and payable unless protested in good faith.

(b) All transfer, documentary, sales, use, stamp, registration and other Taxes and fees (including any penalties and interest), incurred in connection with the transactions consummated pursuant to this Agreement with respect to the Purchased Assets conveyed by Seller will be paid one-half by Buyer and one-half by Seller. Any Tax Returns that are required to be filed in connection with transfer Taxes will be prepared by Buyer, at its own expense (except where Seller is legally required to file any such Tax Return, in which case Seller will prepare and file such Tax Return at its own expense). Without limiting the foregoing, Buyer and Seller will cooperate in all reasonable respects to prepare and file all necessary Tax Returns.

5.13 Fulfillment of Conditions. Seller will use commercially reasonable efforts to satisfy each of the conditions for the Initial Closing and License Closing of Buyer set forth in Article 7, and Buyer will use its commercially reasonable efforts to satisfy each of the conditions for Initial Closing and License Closing of Seller set forth in Article 6.

5.14 Further Action Regarding Intangible Property. If, after the Initial Closing Date, either Buyer or Seller identifies any Intangible Property that is then owned by Seller, Seller shall transfer all rights in and to and, if applicable, deliver, such Intangible Property to Buyer or its designated Affiliate for no additional consideration. If, after the Initial Closing Date, either Buyer or Seller identifies any Intellectual Property that was transferred to it from Seller but that does not constitute Intangible Property, Buyer shall, or shall cause the applicable Affiliate to,

promptly transfer all rights in and to and, if applicable, deliver, such Intellectual Property to Seller for no additional consideration. Each party shall take such further actions, and execute and deliver such further documents, instruments and agreements, as the other party may reasonably request, whether on or after the Initial Closing Date, to implement and/or give effect to the provisions of this Section 5.14.

ARTICLE 6 SELLER CLOSING CONDITIONS

6.1 Initial Closing. The obligation of Seller to consummate the Initial Closing hereunder is subject to satisfaction, at or prior to the Initial Closing, of each of the following conditions (unless waived in writing by Seller):

(a) Representations and Covenants.

(i) All representations and warranties of Buyer contained in this Agreement shall be true and correct as of the date of this Agreement and at and as of the Initial Closing (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the failure of the representations and warranties of Buyer contained in this Agreement to be so true and correct at and as of the Initial Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to perform its obligations hereunder; provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded.

(ii) The covenants and agreements that by their terms are to be complied with and performed by Buyer at or prior to the Initial Closing shall have been complied with or performed by Buyer in all material respects.

(iii) Seller shall have received a certificate dated as of the Initial Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.2(a)(i) and (ii) have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) Deliveries. Buyer shall have complied with each of its obligations set forth in Section 8.3.

(d) Settlement Agreement. The Settlement Agreement shall have been executed and delivered to be effective on the dates, terms and conditions as set forth therein.

6.2 License Closing. The obligation of Seller to consummate the License Closing hereunder is subject to satisfaction, at or prior to the License Closing, of each of the following conditions (unless waived in writing by Seller):

(a) Representations and Covenants.

(i) All representations and warranties of Buyer contained in this Agreement shall be true and correct as of the date of this Agreement and at and as of the License Closing (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the failure of the representations and warranties of Buyer contained in this Agreement to be so true and correct at and as of the License Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to perform its obligations hereunder; provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded.

(ii) The covenants and agreements that by their terms are to be complied with and performed by Buyer at or prior to License Closing shall have been complied with or performed by Buyer in all material respects.

(iii) Seller shall have received a certificate dated as of the License Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.2(a)(i) and (ii) have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) FCC Authorization. The FCC Consent shall have been granted and shall be in full force and effect.

(d) Deliveries. Buyer shall have complied with each of its obligations set forth in Section 8.4.

(e) Consents. The Required Consents (if any) shall have been obtained.

ARTICLE 7
BUYER CLOSING CONDITIONS

7.1 Initial Closing. The obligation of Buyer to consummate the Initial Closing hereunder is subject to satisfaction, at or prior to Initial Closing, of each of the following conditions (unless waived in writing by Buyer):

(a) Representations and Covenants.

(i) All representations and warranties of Seller contained in this Agreement shall be true and correct as of the date of this Agreement and at and as of the Initial Closing (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the

failure of the representations and warranties of Seller contained in this Agreement to be so true and correct at and as of the Initial Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Business; provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded.

(ii) The covenants and agreements that by their terms are to be complied with and performed by Seller at or prior to Initial Closing shall have been complied with or performed by Seller in all material respects.

(iii) Buyer shall have received a certificate dated as of the Initial Closing Date from Seller executed by an authorized officer or member of Seller to the effect that the conditions set forth in Sections 7.1(a)(i) and (b) have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) Deliveries. Seller shall have complied with each of its obligations set forth in Section 8.1.

(d) Settlement Agreement. The Settlement Agreement shall have been executed and delivered to be effective on the dates, terms and conditions as set forth therein.

7.2 License Closing. The obligation of Buyer to consummate the License Closing hereunder is subject to satisfaction, at or prior to the License Closing, of each of the following conditions (unless waived in writing by Buyer):

(a) Representations and Covenants.

(i) All representations and warranties of Seller contained in Section 2.1, Section 2.2, Section 2.3, Section 2.4 and Section 2.8 of this Agreement solely to the extent applicable to the License Assets shall be true and correct as of the date of this Agreement and at and as of the License Closing (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the failure of such representations and warranties of Seller contained in this Agreement to be so true and correct at and as of the License Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Business (except to the extent such failure to be true and correct results from Buyer's actions under the TBA or Buyer's failure to perform or discharge its obligations as required by the TBA); provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded;.

(ii) The covenants and agreements that by their terms are to be complied with and performed by Seller at or prior to the License Closing shall have been complied with or performed by Seller in all material respects.

(iii) Buyer shall have received a certificate dated as of the License Closing Date from Seller executed by an authorized officer or member of Seller to the effect that the conditions set forth in Sections 7.2(a)(i) and (b) have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) FCC Authorization. The FCC Consent shall have been granted and shall be in full force and effect and shall have become a Final Order, except as set forth in Section 1.8 hereof.

(d) Deliveries. Seller shall have complied with each of its obligations set forth in Section 8.2.

(e) Consents. The Required Consents (in form and substance reasonably acceptable to Buyer) shall have been obtained.

ARTICLE 8 CLOSING DELIVERIES

8.1 Seller Documents at Initial Closing. At the Initial Closing, Seller shall deliver or cause to be delivered to Buyer:

(a) good standing certificates issued by the Secretary of State of each Seller's jurisdiction of formation and each of the jurisdictions in which each Seller is required by law to be qualified as a result of its ownership of any Purchased Asset or operation of the Business;

(b) certified copies of all corporate or other resolutions necessary to authorize the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(c) the certificate described in Section 7.1(a)(iii);

(d) assignments and assumptions of contracts assigning the Initial Closing Contracts from Seller to Buyer in substantially the forms attached hereto as Exhibit B, duly executed by Seller;

(e) assignments and assumptions of leases assigning the Real Property Leases from Seller to Buyer in substantially the forms attached hereto as Exhibit C, duly executed by Seller;

(f) limited or special (but not general) warranty deeds (as customary in the applicable jurisdiction and subject to Permitted Liens) conveying the Owned Real Property from Seller to Buyer in forms to be mutually agreed by Seller and Buyer, duly executed by Seller;

(g) intellectual property assignments duly executed by the Seller assigning the Intangible Property listed on Schedule 1.1(e) to Buyer, in substantially the forms attached hereto as Exhibit D, duly executed by Seller;

(h) domain name transfers duly executed by the Seller assigning the Business' domain names included in the Intangible Property, including the domain names listed on Schedule 1.1(e) (if any), to Buyer;

(i) a general bill of sale conveying the other Non-License Assets from Seller to Buyer in substantially the forms attached hereto as Exhibit E, duly executed by Seller;

(j) an affidavit of non-foreign status of Seller that complies with Section 1445 of the Code in substantially the form attached hereto as Exhibit F, duly executed by Seller;

(k) the Unwind Agreement, duly executed by Seller;

(l) the Settlement Agreement and documents required to be executed with respect thereto;

(m) the TBA, duly executed by Seller;

(n) the Studio Facilities Lease substantially the form attached hereto as Exhibit H; and

(o) (i) with respect to the Liens securing Seller's secured credit facilities, UCC-3 financing statements to be filed in Seller's jurisdiction of organization at the Initial Closing and other forms of documentation reasonably acceptable to both parties, in each case effecting the release of such Liens on the Non-License Assets and (ii) forms of documentation reasonably acceptable to both parties effectuating the release of all other Liens on the Non-License Assets, if any, other than Permitted Liens.

8.2 Seller Documents at License Closing. At the License Closing, Seller shall deliver or cause to be delivered to Buyer:

(a) good standing certificates issued by the Secretary of State of each Seller's jurisdiction of formation and each of the jurisdictions in which each Seller is required by law to be qualified as a result of its ownership of any License Asset or operation of the Business;

(b) certified copies of all corporate or other resolutions necessary to authorize the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(c) the certificate described in Section 7.2(a)(iii);

(d) assignments of FCC authorizations assigning the FCC Licenses from Granite License to Buyer in substantially the forms attached hereto as Exhibit A, duly executed by Granite License;

(e) assignments and assumptions of contracts assigning the License Closing Contracts from Seller to Buyer in substantially the forms attached hereto as Exhibit B, duly executed by Seller;

(f) a general bill of sale conveying the License Assets from Seller to Buyer in substantially the forms attached hereto as Exhibit E, duly executed by Seller; and

(g) (i) with respect to the Liens securing Seller's secured credit facilities, UCC-3 financing statements to be filed in Seller's jurisdiction of organization at the License Closing and other forms of documentation reasonably acceptable to both parties, in each case effecting the release of such Liens on the License Assets and (ii) forms of documentation reasonably acceptable to both parties effectuating the release of all other Liens on the License Assets, if any, other than Permitted Liens.

8.3 Buyer Documents at Initial Closing. At the Initial Closing, Buyer shall deliver or cause to be delivered to Seller:

(a) the Initial Payment in accordance with Section 1.5 hereof;

(b) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation and the State of California;

(c) certified copies of all corporate or other resolutions necessary to authorize the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(d) the certificate described in Section 6.1(a)(iii);

(e) assignments and assumptions of contracts assuming the Initial Closing Contracts in substantially the form attached hereto as Exhibit B, duly executed by Buyer;

(f) assignments and assumptions of leases assuming the Real Property Leases in substantially the form attached hereto as Exhibit C, duly executed by Buyer;

(g) the Settlement Agreement and documents required thereto, duly executed by Buyer;

(h) the TBA, duly executed by Buyer;

(i) the Studio Facilities Lease substantially the form attached hereto as Exhibit H; and

(j) the Unwind Agreement, duly executed by Buyer.

8.4 Buyer Documents at License Closing. At the License Closing, Buyer shall deliver or cause to be delivered to Seller:

(a) the Additional Purchase Price in accordance with Section 1.5 hereof;

(b) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation and the State of California;

(c) certified copies of all corporate or other resolutions necessary to authorize the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(d) the certificate described in Section 6.2(a)(iii);

(e) assignments of FCC authorizations assigning the FCC Licenses from Seller to Buyer in substantially the forms attached hereto as Exhibit A, duly executed by Buyer; and

(f) assignments and assumptions of contracts assuming the License Closing Contracts in substantially the form attached hereto as Exhibit B, duly executed by Buyer.

ARTICLE 9 SURVIVAL; INDEMNIFICATION

9.1 Survival. The representations, warranties and covenants in this Agreement and any agreements required to be performed prior to the Initial Closing, including the Seller Transaction Documents and the Buyer Transaction Documents, or in any certificate delivered pursuant to this Agreement, shall be deemed representations, warranties and covenants of Seller regardless of any investigation, audit or inspection made by or on behalf of Buyer. All representations and warranties of Buyer and Seller in this Agreement with respect to (i) the Non-License Assets shall survive the Initial Closing and will remain in full force and effect until the date that is twelve (12) months after the Initial Closing Date and (ii) the License Assets shall survive the License Closing and will remain in full force and effect until the date that is twelve (12) months after the License Closing Date, at which time they will terminate (and no claims with respect to such representations and warranties (or in such certificates, to the extent they relate to such representations and warranties) shall be made by any Person for indemnification thereafter); provided, that claims for fraud with scienter shall not be subject to such limitations; provided, further, such covenants and agreements of the parties hereto shall survive until they are fully performed or, if earlier, until the expiration thereof set forth in the terms of such covenant and agreement (except that no claims with respect to such covenants and agreements shall be made by any Person after the date that is twelve (12) months after the Initial Closing Date or License Closing Date, as applicable).

9.2 Indemnification.

(a) Subject to Section 9.2(b), from and after the Initial Closing, each Seller, jointly and severally, shall defend, indemnify and hold harmless Buyer, its Affiliates, and their respective employees, officers, directors, representatives and agents and all of their successors and assigns (the "Buyer Indemnified Parties") from and against any and all losses, costs, damages, taxes, liabilities and expenses, including reasonable attorneys' fees and expenses (collectively, "Damages") incurred by the Buyer Indemnified Parties, whether or not resulting from third party claims, arising out of or resulting from:

(i) any breach by Seller of its representations or warranties made under this Agreement or in the certificate delivered by Seller pursuant to this Agreement (in each case, without giving effect to any materiality or Material Adverse Effect qualifiers, except in the case of the representations and warranties set forth in the first sentence of Section 2.16);

(ii) any default by any Seller of any of its covenant or agreement made in this Agreement or any Seller Transaction Document;

(iii) the Excluded Assets and Retained Obligations;

(iv) the ownership, business or operation of the Business before the Effective Time; and

(v) the ownership of the License Assets before the License Closing Time.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after the Initial Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a)(i) unless the aggregate amount of the Damages exceeds \$265,000.00 (the “Deductible”) after which Seller will be liable for Damages under Section 9.2(a)(i) only in excess of the Deductible, (ii) the maximum aggregate liability of Seller under Section 9.2(a)(i) shall be an amount equal to \$2,650,000.00 (as adjusted pursuant to Section 9.2(c), the “Cap”), it being understood that the Buyer Indemnified Parties shall not be entitled to collect any Damages under Section 9.2(a)(i) from Seller or its Affiliates in excess of the Cap and none of Seller or its Affiliates shall have any liability for any Damages under Section 9.2(a)(i) in excess of the Cap, and (iii) Seller shall have no liability to Buyer under Section 9.2(a)(i) for any claims arising out of or relating to any circumstances occurring after the expiration of the applicable survival period set forth in Section 9.1; provided, that claims for fraud with scienter shall not be subject to the Deductible or the Cap.

(c) On and as of the date that is six (6) months following the Initial Closing Date, the Cap shall be reduced to an amount equal to (x) \$1,325,000.00 plus (y) the sum of the amount of all unpaid Initial Closing Date Adjustments, if any, payable by Seller pursuant to Section 1.6 plus (z) the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement. On the date that is twelve (12) months following the License Closing Date, the Cap shall be reduced to the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement.

(d) The parties hereto acknowledge and agree that Section 11.16 of this Agreement contains a guarantee in favor of Buyer pursuant to which Granite is guaranteeing certain of Seller’s obligations under this Article 9.

(e) From and after Initial Closing, Buyer shall defend, indemnify and hold harmless Seller, its Affiliates, and their respective employees, officers, directors, representatives and all of their successors and assigns (the “Seller Indemnified Parties”) from and against any

and all Damages incurred by the Seller Indemnified Parties, whether or not resulting from third party claims, arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement or in the certificate delivered by Buyer pursuant to this Agreement (in each case, without giving effect to any materiality or Material Adverse Effect qualifiers);

(ii) any default by Buyer of any of its covenant or agreement made in this Agreement or any Buyer Transaction Document;

(iii) the Assumed Obligations and Transfer Taxes that Buyer is responsible for pursuant to Section 11.1;

(iv) the ownership, business or operation of the Business after the Effective Time, except with respect to the ownership of the License Assets;

(v) the ownership of the License Assets after the License Closing Date; and

(vi) any Damages Seller incurs as a result of Buyer's failure to assume any Section 1.3(r) Contract.

9.3 Procedures with Respect to Third Party Claims.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby materially prejudiced and provided that, where applicable, such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost, except that the indemnified party shall not, without the indemnifying party's written consent, settle or compromise any Claim or consent to entry of any judgment which settlement, compromise or judgment does not include the giving by the claimant to the indemnifying party of a release from all liability to the claimant in respect of such Claim, if the indemnifying party is party to such Claim.

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which (A) settlement, compromise or judgment does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim, and (B) contains any covenants or undertakings binding on the indemnified party other than customary agreements to keep the terms of such settlement or compromise confidential; and

(iii) in the event that the indemnifying party undertakes the defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

9.4 No Special Damages, Mitigation. No indemnifying party shall be liable to any indemnified party for special, indirect, consequential, punitive or exemplary damages, lost profits, or diminution in value unless and to the extent such damages are payable to a third party. Each party agrees to exercise its commercially reasonable efforts to mitigate any Damages in respect of any pending or threatened Claim.

9.5 Offset. The amount of any Damages indemnifiable by any indemnifying party to any indemnified party pursuant to this Article 9 will be reduced to reflect (a) the value of any net Tax benefit (whether monetary or otherwise) that will be realized, directly or indirectly, by the indemnified party as a result of such Damages and (b) any amount actually recovered or recoverable by the indemnified party under insurance policies or otherwise with respect to such Damages.

9.6 Treatment of Indemnity Benefits. All payments made by Seller or Buyer, as the case may be, to or for the benefit of the other pursuant to any indemnification obligations under this Agreement shall be treated as adjustments to the Purchase Price for Tax purposes and such agreed treatment shall govern for purposes of this Agreement.

9.7 Environmental Liabilities. Notwithstanding anything herein to the contrary (and subject in all respects to the Cap), with respect to any claim for indemnification regarding any breach of any representation or warranty under Section 2.9, Seller shall have no obligation to indemnify or hold harmless a Buyer Indemnified Party for (a) any Damages that would not have arisen but for any intrusive investigation (including any soil, groundwater or surface water sampling) by Buyer or any of its agents or representatives, except to the extent such intrusive investigation was consented to by Seller, was required by or required to attain compliance with Environmental Laws or environmental permits or a Governmental Entity, was necessary to address a significant risk to human health or safety, or was affirmatively required in writing by a landlord or by a lease agreement, or (b) any investigation, monitoring or remedial costs or other related costs that exceed the cost to meet a reasonably cost-effective standard or remedy required by applicable Environmental Laws that is consistent with the commercial or industrial use of the site as of the Initial Closing Date, as applicable (including any site-specific standards based on risk assessments and any remedies or standards that require or are limited to the imposition of deed restrictions, land use restrictions or monitored natural attenuation), that do not materially interfere with the use of or materially impair the value of the property and

provided that such remedy is acceptable to (i) the Governmental Entity with jurisdiction over the condition if the approval of such Governmental Entity is required therefor under applicable Environmental Laws and (ii) any landlord (with respect to conditions on leased real property) if the approval of such landlord is required therefor, including the applicable lease. Notwithstanding the foregoing, Buyer may cleanup to more stringent standards, but the increased cost shall be borne by Buyer and not subject to indemnification by Seller.

9.8 Exclusive Remedies.

(a) Buyer and Seller acknowledge and agree that, with respect to the Non-License Assets and the License Assets if the License Closing occurs, the indemnification provisions of this Article 9 shall be the sole and exclusive remedies of Buyer and Seller for any breach of the representations or warranties or nonperformance of or default under any covenants or agreements of Buyer or Seller contained in this Agreement or any Buyer Transaction Documents or Seller Transaction Documents, and neither party shall have any liability to the other party under any circumstances for special, indirect, consequential, punitive or exemplary damages, or lost profits, unless and to the extent such damages are payable to a third party; provided, however, that nothing contained in this Agreement shall relieve or limit (a) the liability of any party from any liability or Damages arising out of or resulting from such party's fraud with scienter in connection with the transactions contemplated in this Agreement, the Seller Transaction Documents or the Buyer Transaction Documents, and (b) Seller's obligations under Section 5.4(b)(iii). In furtherance of the foregoing, each of Buyer and Seller hereby waive, to the fullest extent permitted under applicable law, except in the case of fraud with scienter, any and all rights, claims and causes of action it may have against the other arising under or based upon any federal, state or local law, rule or regulation (including any such rights, claims or causes of action arising under or based upon common law, tort or otherwise and relating to this Agreement, any Seller Ancillary Document or any Buyer Ancillary Document (including any certificate delivered pursuant to Section 6.1(c), Section 6.2(c), Section 7.1(c) or Section 7.2(c)) or the transactions contemplated hereby) other than any rights, claims or actions arising under Section 5.4(b)(iii) and this Article 9.

(b) In furtherance of the foregoing, each of Buyer and Seller hereby waive, to the fullest extent permitted under applicable law, except in the case of fraud with scienter, any and all rights, claims and causes of action it may have against the other arising under or based upon any federal, state or local law, rule or regulation (including any such rights, claims or causes of action arising under or based upon common law, tort or otherwise and relating to this Agreement, any Seller Transaction Document or any Buyer Transaction Document (including any certificate delivered pursuant to this Agreement) or the transactions contemplated hereby) other than any rights, claims or actions arising under this Article 9.

9.9 Effect of Investigation. The right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement, any Seller Transaction Document or Buyer Transaction Document shall not be affected by any investigation conducted at any time, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement. Notwithstanding anything contained in this Agreement to the contrary, Seller shall

not be deemed to have breached any of its representations, warranties or covenants contained herein, nor shall Seller have any indemnification or other liability or responsibility to Buyer in respect of any breach of any representations, warranties or covenants, to the extent that the inaccuracy or breach of any such representation, warranty or covenant, is principally caused by (i) any actions taken by or at the direction of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) (including any actions taken by Buyer under the TBA), or (ii) the failure of Buyer to perform or discharge any of its obligations (including obligations of Buyer under the TBA).

ARTICLE 10 TERMINATION AND REMEDIES

10.1 Termination. Subject to Section 10.3, this Agreement may be terminated prior to License Closing as follows:

- (a) by mutual written agreement of Buyer and Seller;
- (b) by written notice of Buyer to Seller if (i) Buyer is not in material breach of its obligations under this Agreement, (ii) Seller defaults in the performance of its covenants contained in this Agreement and (iii) all such Seller defaults that are not cured within the Cure Period (as defined in Section 10.2) would prevent the conditions to the obligations of Buyer set forth in Section 7.2(a)(ii) from being satisfied;
- (c) by written notice of Seller to Buyer if (i) Seller is not in material breach of its obligations under this Agreement, (ii) Buyer defaults in the performance of its covenants contained in this Agreement and (iii) all such Buyer defaults that are not cured within the Cure Period would prevent the conditions to the obligations of Seller set forth in Section 6.2(a)(ii) from being satisfied; provided, however, that no Cure Period shall apply to Buyer's obligations to pay the Initial Payment on the date hereof and to pay the Additional Purchase Price at License Closing; or
- (d) by written notice of Buyer to Seller, or by Seller to Buyer, if the License Closing does not occur by the date that is twelve (12) months after the date of this Agreement (such date, the "Outside Date"), unless the License Closing has not occurred by such date as a result of a material breach of this Agreement by the party providing such notice of termination.

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

10.3 Termination and Survival. Subject to Section 10.4 and Section 10.5, in the event of a termination of this Agreement by either Seller or Buyer as provided in Section 10.1, this Agreement shall forthwith become null and void and, subject to Section 10.5, there shall be no liability or obligation on the part of Seller, Buyer or their respective directors, officers, employees, incorporators, members, partners, equityholders, Affiliates, agents, attorneys or representatives; provided that the provisions of this Section 10.3 and Section 5.1 (Confidentiality), Section 10.5 (Initial Payment and Unwind Agreement), Section 11.1 (Expenses), Section 11.6 (Entire Agreement), Section 11.9 (Governing Law; Consent to Jurisdiction; Waiver of Jury Trial), Section 11.10 (Neutral Construction), Section 11.12 (Counterparts; Delivery by Facsimile/Email), Section 11.13 (Interpretation), Section 11.17 (Mutual Non-Recourse) and Section 11.18 (Actions under the TBA) shall remain in full force and effect and survive any termination of this Agreement; provided, however, that, subject to Section 10.5, any such termination shall not relieve any party of any liability for any breach or default that occurred prior to such termination.

10.4 Specific Performance. Subject to Sections 10.5 and 1.8, the parties hereto acknowledge and agree that the parties hereto would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached and that any non-performance or breach of this Agreement by any party hereto could not be adequately compensated by monetary damages alone and that the parties hereto would not have any adequate remedy at law. Accordingly, in addition to any other right or remedy to which any party hereto may be entitled, at law or in equity (including monetary damages), subject to Sections 10.5 and 1.8, prior to the termination of this Agreement pursuant to Section 10.1, such party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief, subject to obtaining the required Governmental Consent, to prevent breaches or threatened breaches of any of the provisions of this Agreement without posting any bond or other undertaking. Without limiting the generality of the foregoing, the parties hereto agree that the party seeking specific performance shall be entitled to enforce specifically (a) a party's obligations under Section 1.9; and (b) a party's obligation to consummate the transactions contemplated by this Agreement (including the obligation to consummate the Initial Closing or License Closing, as applicable, and to pay the Initial Payment or Additional Purchase Price, if applicable), if the conditions set forth in Article 6 or Article 7, as applicable, have been satisfied (other than those conditions that by their nature are to be satisfied at the Initial Closing or License Closing, as applicable) or waived.

10.5 Initial Payment and Unwind Agreement. If this Agreement is terminated at any time prior to the License Closing, then Seller shall retain the Initial Payment and the terms of the Unwind Agreement will otherwise govern. Seller acknowledges and agrees that, notwithstanding anything to the contrary herein, if it terminates this Agreement pursuant to Section 10.1, or in any other event prior to the occurrence of the License Closing, Seller's sole and exclusive remedy hereunder shall be the right (if any) to retain the Initial Payment and enforce the Unwind Agreement pursuant to this Section 10.5. Except in the case of fraud with scienter, in no event shall any party be liable for punitive damages.

ARTICLE 11
MISCELLANEOUS

11.1 Expenses. Except as may be otherwise specified herein, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. Buyer shall pay one-half (1/2) and Seller shall pay one-half (1/2) of all governmental fees and charges applicable to any requests for Governmental Consent. Buyer shall pay one-half (1/2) and Seller shall pay one-half (1/2) of all governmental Taxes, fees and charges applicable to the transfer of the Purchased Assets under this Agreement (including sales, use and real property transfer taxes and the costs of recording or filing all applicable conveyance instruments) (collectively, “Transfer Taxes”). The parties will cooperate in the preparation, execution and filing of all Tax Returns regarding Transfer Taxes and in seeking or perfecting any available exemption from Transfer Taxes. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby. In the event of any litigation regarding or arising from this Agreement, the prevailing party as determined by a court of competent jurisdiction in a final non-appealable judgment shall be entitled to recover its reasonable costs and expenses (including attorneys’ fees and expenses) incurred therein or in the enforcement or collection of any judgment or award rendered therein.

11.2 Further Assurances. After the Initial Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however that Buyer may by written notice to, but without consent of, Seller, assign its rights and obligations hereunder to an Affiliate of Buyer, provided that any such assignment does not materially delay the processing of the FCC Application, the grant of the FCC Consent or the License Closing. The terms of this Agreement shall bind and inure to the benefit of the parties’ respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller:

Peter Markham
Chairman and CEO
Granite Broadcasting Corporation
767 Third Avenue – 34th Floor
New York, New York 10017
Facsimile No.:

and:

c/o Silver Point Capital, L.P.
2 Greenwich Plaza
Greenwich, CT 06830
Attention: David Reganato and Anthony DiNello
Facsimile No.: 203-542-4133 and 203-542-4312

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

Dow Lohnes PLLC
1200 New Hampshire Avenue, NW
Suite 800
Washington, DC 20036-6802
Attn: John R. Feore
Facsimile No.: (202) 776-2222

if to Buyer:

Nexstar Broadcasting, Inc.
5215 N. O'Connor Blvd, Suite 1400
Irving, TX 75039
Attention: Perry Sook
Fax: (972) 373-8888

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

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attention: John Kuehn and Armand A. Della Monica
Fax: (212) 446-4900

11.5 Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. The Schedules and Exhibits hereto are hereby incorporated into this Agreement. This Agreement, together with any other agreement executed on the date hereof in connection herewith, constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior

agreements and understandings with respect to the subject matter hereof, except the NDA, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement (or in any other agreement or any of the Buyer Transaction Documents or Seller Transaction Documents executed on the date hereof or thereof in connection herewith).

11.7 Severability. If any Governmental Entity holds any provision in this Agreement invalid, illegal or unenforceable as applied to any party or to any circumstance under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, (a) such provision, as applied to such party or such circumstance, is hereby deemed modified to give effect to the original written intent of the parties to the greatest extent consistent with being valid and enforceable under applicable law, (b) the application of such provision to any other party or to any other circumstance will not be affected or impaired thereby and (c) the validity, legality and enforceability of the remaining provisions of this Agreement will remain in full force and effect.

11.8 Third Party Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any Person other than the parties hereto and their successors and permitted assigns.

11.9 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement and the negotiation, execution, performance or nonperformance, interpretation, termination, construction and all matters based upon, arising out of or related to this Agreement, whether arising in law or in equity (collectively, the “Covered Matters”), and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to the Covered Matters, except for documents, agreements and instruments that specify otherwise, shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof. All recording matters relating to the conveyance of each parcel of Owned Real Property will be conducted in conformity with the applicable requirements of local law governing the location of such parcel.

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts (and, in the case of appeals, appropriate appellate courts therefrom) in any such Action and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The consents to jurisdiction set forth in this Section 11.9 shall not constitute general consents to service of process in the State of New York and shall have no effect for any purpose except as provided in this Section 11.9 and shall not be deemed to confer rights on any third party. The parties hereto agree that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

(c) BUYER AND SELLER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER OR SELLER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

11.10 Neutral Construction. Buyer and Seller agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Buyer and Seller, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

11.11 Cooperation. After the Initial Closing, each party shall cooperate with the other in the investigation, defense or prosecution of any third party Action which is pending or threatened against either party or its Affiliates with respect to the Business or the Purchased Assets, whether or not any party has notified the other of a claim for indemnity with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its Transferred Employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request. Seller shall reimburse Buyer for all reasonable and necessary out-of-pocket third party expenses incurred in connection with the performance of Buyer's obligations under this Section 11.11.

11.12 Counterparts; Delivery by Facsimile/Email. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by facsimile transmission or electronic mail in pdf form, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

11.13 Interpretation. Article titles and section headings herein are for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement. The Schedules hereto shall be construed with and as an integral part of this Agreement to the same extent as if set forth verbatim herein. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular. Without limiting the generality of the foregoing, it is hereby acknowledged and agreed that the terms "Seller" or "Sellers" shall include and mean, as applicable, any and each applicable Seller or Sellers individually and not just Sellers collectively or as a group. When used in this Agreement, unless the context clearly requires otherwise, (i) words such as "herein," "hereof," "hereto," "hereunder," and "hereafter" shall refer to this Agreement as a whole, (ii) the term "including" shall not be limiting, (iii) the word "or" shall not be exclusive, (iv) the term "ordinary course" or "ordinary course of business" shall refer to the ordinary manner in which Seller operates the Business consistent with reasonable past practices, (v) the terms "Dollars",

“dollars” and “\$” each mean lawful money of the United States of America, (vi) the term “Buyer Principal Liaisons” shall mean Perry Sook and Tom Carter or any of their respective successors, (vii) the term “Person” shall mean any natural person or any corporation, limited liability company, partnership, joint venture, trust or other legal entity, and (viii) the term “Affiliate” shall mean, with respect to a specified Person, any Person or member of a group of Persons acting together that, directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with, the specified Person. As used in this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

11.14 Certain Definitions. As used in this Agreement, the following terms have the respective meanings set forth below.

“Accounts Receivable” has the meaning set forth in Section 5.10(a).

“Action” has the meaning set forth in Section 2.14.

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

“Affiliate” has the meaning set forth in Section 11.13.

“Agreement” has the meaning set forth in the Preamble.

“Assumed Obligations” has the meaning set forth in Section 1.4(a).

“Benefit Plans” has the meaning set forth in Section 2.11(c).

“Business” has the meaning set forth in the Recitals.

“Business Systems” has the meaning set forth in Section 2.10(d).

“Buyer” has the meaning set forth in the Preamble.

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

“Buyer Superseding Contracts” has the meaning set forth in Section 3.10.

“Buyer Transaction Documents” has the meaning set forth in Section 3.1.

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

“Code” has the meaning set forth in Section 1.7.

“Collection Period” has the meaning set forth in Section 5.10(b).

“Collective Bargaining Agreement” has the meaning set forth in Section 2.11(b).

“Communication Laws” has the meaning set forth in Section 1.9(c).

“Control Employees” has the meaning set forth in Section 5.6(c).

“Covered Matters” has the meaning set forth in Section 11.9(a).

“Cure Period” has the meaning set forth in Section 10.2.

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

“Debt” has the meaning set forth in Section 3.7.

“DMA” has the meaning set forth in Section 2.4(b).

“Effect” has the meaning set forth in Section 11.14.

“Effective Time” has the meaning set forth in Section 1.8(a)(ii).

“Employees” has the meaning set forth in Section 5.6(a).

“Employment Contracts” has the meaning set forth in Section 5.6(b).

“Employment Obligations” has the meaning set forth in Section 5.6(b).

“Environmental Law” has the meaning set forth in Section 2.9.

“ERISA” has the meaning set forth in Section 2.11(c).

“ERISA Affiliate” has the meaning set forth in Section 2.11(c).

“Environment” has the meaning set forth in Section 2.9.

“Excluded Assets” has the meaning set forth in Section 1.3.

“FCC” has the meaning set forth in the Recitals.

“FCC Application” has the meaning set forth in Section 1.9(a).

“FCC Consent” has the meaning set forth in Section 1.9(a).

“FCC Documents” has the meaning set forth in Section 1.2(b).

“FCC Licenses” has the meaning set forth in Section 1.1(a).

“Final Order” has the meaning set forth in Section 1.8(a)(i).

“Final Report” has the meaning set forth in Section 5.10(e).

“Financial Statements” has the meaning set forth in Section 2.15.

“Fines” has the meaning set forth in Section 1.4(c).

“GAAP” has the meaning set forth in Section 1.6(a).

“Guarantee Termination Date” has the meaning set forth in Section 11.16.

“Governmental Consent” has the meaning set forth in Section 1.9(d).

“Governmental Entity” means any (i) federal, state, municipal or other government, (ii) governmental or quasi-governmental entity of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal) or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal.

“Granite” has the meaning set forth in the Preamble.

“Granite License” has the meaning set forth in the Preamble.

“Granite OpCo” has the meaning set forth in the Preamble.

“Hazardous Material” has the meaning set forth in Section 2.9.

“Improvements” has the meaning set forth in Section 2.7(e).

“Independent Accountant” has the meaning set forth in Section 1.6(e).

“Initial Closing” has the meaning set forth in Section 1.8(a)(i).

“Initial Closing Contracts” has the meaning set forth in Section 1.1(d).

“Initial Closing Date” has the meaning set forth in Section 1.8(a)(ii).

“Initial Closing Date Adjustments” has the meaning set forth in Section 1.6(d).

“Initial Payment” has the meaning set forth in Section 1.5(a).

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

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

“Knowledge” has the meaning set forth in Section 2.4(a).

“Labor Unions” has the meaning set forth in Section 2.11(b).

“Leased Real Property” has the meaning set forth in Section 2.7(b).

“Legal Requirement” means, as in effect on any date of determination, applicable common law or any applicable statute, permit, ordinance, code or other law, rule,

regulation or order enacted, adopted, promulgated or applied by any Governmental Entity.

“License Asset” has the meaning set forth in Section 1.2.

“License Closing” has the meaning set forth in Section 1.8(b)(i).

“License Closing Assumed Obligations” has the meaning set forth in Section 1.4(b).

“License Closing Date” has the meaning set forth in Section 1.8(b)(ii).

“License Closing Contracts” has the meaning set forth in Section 1.2(c).

“Liens” has the meaning set forth in Section 2.6(a).

“Material Adverse Effect” means any event, state of facts, circumstance, development, change, effect or occurrence (an “Effect”) that, individually or in the aggregate with any other Effect, has had or would reasonably be expected to have a materially adverse effect on the business, properties, assets, financial condition or results of operations of the Business, taken as a whole, or on the ability of Seller to perform its material obligations under the Agreement, other than any Effect arising out of or resulting from (a) any Effect affecting the economy of the United States generally, including changes in the United States or foreign credit, debt, capital or financial markets (including changes in interest or exchange rates) or the economy of any town, city, region or country in which the Station conducts business, only to the extent that the Effect thereof are not disproportionately adverse to or on the Station or the Business, (b) general changes or developments in the broadcast television industry to the extent that the Effect thereof are not disproportionately adverse to or on the Station or the Business, (c) the execution and delivery of this Agreement, the announcement of this Agreement and the transactions contemplated hereby, the consummation of the transactions contemplated hereby, the compliance with the terms of this Agreement or the taking of any action required by this Agreement or consented to by Buyer, (d) earthquakes, hurricanes, tornadoes, natural disasters or global, national or regional political conditions, including hostilities, military actions, political instability, acts of terrorism or war or any escalation or material worsening of any such hostilities, military actions, political instability, acts of terrorism or war existing or underway as of the date hereof (other than any of the foregoing that causes any damage or destruction to or renders unusable any material Purchased Assets), only to the extent that the Effect thereof is not disproportionately adverse to or on the Station or the Business, (e) any failure, in and of itself, by Seller or the Station to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (it being understood that the facts or occurrences giving rise to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect); (f) any

matter of which Buyer is aware on the date hereof; (g) any Effect that results from any action taken at the express prior request of Buyer or with Buyer's prior consent or any action taken by Buyer under the TBA; or (h) any breach by Buyer of its obligations under this Agreement or the TBA.

"Multi-Station Agreement" has the meaning set forth in Section 1.10.

"MVPDs" has the meaning set forth in Section 2.4(b).

"NDA" has the meaning set forth in Section 5.1.

"Net Receivables" has the meaning set forth in Section 5.10(c).

"Non-License Assets" has the meaning set forth in Section 1.1.

"Other Seller Stations" has the meaning set forth in Section 1.1(e).

"Outside Date" has the meaning set forth in Section 10.1(d).

"Owned Real Property" has the meaning set forth in Section 1.1(c).

"Payment Date" has the meaning set forth in Section 1.6(d).

"Permits" has the meaning set forth in Section 2.13.

"Permitted Liens" has the meaning set forth in Section 2.6(a).

"Present Fair Salable Value" has the meaning set forth in Section 3.7.

"Primary FCC Licenses" has the meaning set forth in Section 1.9(a).

"Program Rights" has the meaning set forth in Section 1.6(c).

"Purchase Price" has the meaning set forth in Section 1.5(b).

"Purchased Assets" has the meaning set forth in Section 1.2.

"Purchased Contracts" has the meaning set forth in Section 1.2(c).

"Purchased Documents" has the meaning set forth in Section 1.1(f).

"Real Property" has the meaning set forth in Section 1.1(c).

"Real Property Leases" has the meaning set forth in Section 1.1(c).

"Releasor" has the meaning set forth in Section 9.8(b).

"Renewal Application" has the meaning set forth in Section 1.9(c).

“Required Consents” has the meaning set forth in Section 5.5(a).

“Retained Obligations” has the meaning set forth in Section 1.4(c).

“Section 1.3(r) Contracts” has the meaning set forth in Section 1.3(r).

“Seller” has the meaning set forth in the Preamble.

“Seller Indemnified Parties” has the meaning set forth in Section 9.2(e).

“Seller Marks” has the meaning set forth in Section 1.3(d).

“Seller Transaction Documents” has the meaning set forth in Section 2.1.

“Settlement Agreement” means that certain settlement agreement, dated as of the date hereof and as amended from time to time, by and among Buyer, Granite and certain Affiliates of Granite.

“Solvency” has the meaning set forth in Section 3.7.

“Solvent” has the meaning set forth in Section 3.7.

“Station” has the meaning set forth in the Recitals.

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

“Tax Returns” has the meaning set forth in Section 2.5(a).

“Taxes” has the meaning set forth in Section 2.5(a).

“TBA” means that certain time brokerage agreement, dated as of the date hereof, by and between Buyer and Seller, as it may be amended from time to time.

“Trade Agreement” has the meaning set forth in Section 1.6(b).

“Transaction Documents” means the Seller Transaction Documents and the Buyer Transaction Documents.

“Transfer Taxes” has the meaning set forth in Section 11.1.

“Transferred Employees” has the meaning set forth in Section 5.6(b).

“Unwind Agreement” means that certain unwind agreement, dated as of the date hereof, by and between Buyer and Seller, as it may be amended from time to time, a form of which is attached hereto as Exhibit G.

11.15 Bulk Transfer. Buyer and Seller hereby waive compliance with the bulk transfer provisions of the Uniform Commercial Code and all similar laws.

11.16 Guarantor.

(a) Granite hereby fully, unconditionally and irrevocably guarantees to the Buyer Seller's obligations under Article 9 of this Agreement up to the Cap, all in accordance with the terms of this Agreement. Granite hereby acknowledges that, with respect to all of Seller's obligations under Section 9.2(a)(i) of this Agreement up to the Cap, this guaranty shall be a guaranty of payment and performance and not of collection and shall not be conditioned or contingent upon the pursuit of any remedies against the Seller and that a separate action may be brought against Granite whether or not an action is commenced against Seller under this Agreement. Granite hereby waives diligence, demand of payment, filing of claims with a court in the event of a merger or bankruptcy of the Seller, any right to require a proceeding first against the Seller, the benefit of discussion, protest or notice and all demands whatsoever, and covenants that this guaranty will not be discharged as to any obligation except by satisfaction of such obligation in full. Notwithstanding the foregoing, the guarantee set forth in this Section 11.16 shall terminate and Granite shall have no further obligations under this Section 11.16 as of the earlier of the first anniversary of the License Closing Date or the termination of this Agreement in accordance with Article 9 (the "Guarantee Termination Date"), except as to any unresolved indemnification claim made by a Buyer Indemnified Party prior to the Guarantee Termination Date in accordance this Agreement, in which case the guarantee set forth in this Section 11.16 will terminate with respect to any such unresolved indemnification claim upon such unresolved indemnification claim becoming resolved in accordance with Article 9 of this Agreement. Granite hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against the Seller that arises from the existence, payment, performance or enforcement of its obligations under the guarantee set forth in this Section 11.16, including any right of reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy of the Buyer against the Seller or any collateral which the Buyer hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Seller, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim or other rights. To the fullest extent permitted by Legal Requirement, the obligations of Granite hereunder shall not be affected by (a) the failure of a party to assert any claim or demand or to enforce any right or remedy against the Seller pursuant to the provisions of this Agreement or otherwise, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement or the invalidity or unenforceability (in whole or in part) of this Agreement, whether or not Granite received notice of or consented to the same, and Granite waives all need for notice of the same, unless consented to in writing by the Buyer and (c) any change in the existence (corporate or otherwise) of the Seller or Granite or any insolvency, bankruptcy, reorganization or similar proceeding affecting any of them or their assets. Granite acknowledges that it will receive direct and indirect benefits from the consummation of the Transactions and that the waivers set forth in this Section 11.16 are knowingly made in contemplation of such benefits.

(b) Granite hereby represents and warrants to the Buyer as follows:

(i) Granite is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation. Granite is duly qualified to conduct business and in good standing in each jurisdiction where it is required to be licensed,

registered or qualified, except where the failure to be qualified would not constitute a Material Adverse Effect or affect its ability to perform its obligations under this Agreement. Granite has the requisite power and authority to own, lease, and operate its properties and to carry on its business as now conducted and to perform its obligations under this Section 11.16.

(ii) Granite has all requisite power and authority to execute and deliver this Agreement and to perform its obligations under this Section 11.16. The execution, delivery and performance by Granite of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the board of directors of Granite to the extent necessary, and no other proceeding or other action on the part of Granite is necessary under its organizational documents to authorize this Agreement or the transactions contemplated hereby. This Agreement, upon execution and delivery, will be a legal, valid, and binding obligation of Granite, enforceable against Granite in accordance with its terms, except insofar as enforcement may be limited by bankruptcy, insolvency, or other laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

(iii) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement will (a) violate any Legal Requirement to which Granite is subject or any provision of the organizational documents of Granite, or (b) result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel any contract to which Granite is a party or by which any of the assets owned by Granite is bound or affected, except where any such violation, breach, default or other matter would not have, individually or in the aggregate, a Material Adverse Effect and would not materially affect Granite's ability to perform its obligations under this Agreement or (c) result in the creation of any Liens upon the assets of Granite.

(iv) Granite represents and warrants that as of the Initial Closing Date and License Closing Date the Present Fair Salable Value of its assets will, as of such date, exceed all of its liabilities, contingent or otherwise, as of such date by at least \$2,650,000 and after giving effect to the transactions contemplated by this Agreement, Granite will be Solvent. Should the Present Fair Salable Value of Granite's assets fall below this amount prior to the Guarantee Termination Date, Granite will provide a substitute guarantor whose assets have a Present Fair Salable Value that exceed its liabilities, contingent or otherwise, by at least \$2,650,000, which substitute guarantor will sign and deliver an instrument to Buyer stating its agreement to replace Granite as the guarantor pursuant to this Section 11.16, including its obligation to provide a further substitute guarantor to the extent it would not be in compliance with the provisions hereof.

(v) As of the date hereof, there is no claim, litigation, proceeding or governmental investigation pending against Granite or, to Granite's knowledge, threatened, or any order, injunction or decree outstanding relating to Granite that would prevent Granite from undertaking its obligations contemplated by this Section 11.16.

(c) Except for claims involving fraud (for which the following will survive indefinitely), all representations and warranties contained in this Section 11.16, or in the

certificate delivered by Granite pursuant to this Agreement to the extent relating to such representations and warranties, will survive the License Closing and will remain in full force and effect until the date that is twelve months after the License Closing Date, at which time they will terminate (and no claims, other than those involving fraud, with respect to such representations and warranties (or in such certificates, to the extent they relate to such representations and warranties) shall be made by any Person for indemnification thereafter), except that the representations and warranties in Sections 11.16(b)(i) and 11.16(b)(ii) shall survive indefinitely.

(d) From and after the Initial Closing Date and the License Closing Date, as applicable, Granite shall indemnify and save and hold harmless the Buyer Indemnitees from and against any Damages under this Section 11.16 up to the Cap resulting from, arising out of, or incurred in connection with: (i) any failure of any representation or warranty made by Granite (in each case, interpreted without giving effect to any Material Adverse Effect or other materiality qualification or words of similar import set forth therein) in this Section 11.16 to be true and correct as of the date of this Agreement and as of the Initial Closing Date or License Closing Date, as applicable, as though made on and as of the Initial Closing Date and the License Closing Date, as applicable; or (ii) any fees or expenses (including without limitation, reasonable attorneys' fees) incurred by Buyer in enforcing its rights under this Section 11.16. The Buyer Indemnitees shall not be entitled to assert any indemnification pursuant to this Section 11.16(d) after the expiration of any applicable survival period with respect to inaccuracies in or breaches of the representations and warranties of Granite referenced in Section 11.16(c); provided, however, that if on or prior to such expiration of the applicable survival period a notice of claim shall have been given to Granite pursuant to Section 9.2 hereof for such indemnification, Buyer Indemnities shall continue to have the right to be indemnified with respect to the matter or matters to which such claim relates until such claim for indemnification has been satisfied or otherwise resolved.

(e) At the Initial Closing Date and the License Closing Date, as applicable, Granite shall deliver to Buyer a certificate dated as of such date executed by an authorized officer of Granite to the effect that all representations and warranties of Granite contained in this Section 11.16 are true and correct in all material respects.

11.17 Mutual Non-Recourse.

(a) No past, present or future director, officer, employee, incorporator, member, partner, equityholder, Affiliate, agent, attorney or representative of Seller or any of its Affiliates shall have any liability for any obligations or liabilities of Seller under this Agreement or for any claim (whether in contract or tort, in law or in equity, or based upon any theory that seeks to "pierce the corporate veil" or impose liability of an entity against its owners or Affiliates or otherwise), liability or any other obligation arising under, based on, in respect of, in connection with, or by reason of, this Agreement or the transactions contemplated hereby, including its negotiation and/or execution.

(b) No past, present or future director, officer, employee, incorporator, member, partner, equityholder, Affiliate, agent, attorney or representative of Buyer or any of its Affiliates shall have any liability for any obligations or liabilities of Buyer under this Agreement or for any claim (whether in contract or tort, in law or in equity, or based upon any theory that

seeks to “pierce the corporate veil” or impose liability of an entity against its owners or Affiliates or otherwise), liability or any other obligation arising under, based on, in respect of, in connection with, or by reason of, this Agreement or the transactions contemplated hereby, including its negotiation and/or execution.

11.18 Actions Pursuant to the TBA. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer’s obligation to perform under this Agreement (nor shall the Seller have any indemnification or other liability or responsibility to Buyer in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case to the extent that the inaccuracy of any such representation, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent is principally caused by (i) any actions taken by or under the control of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Buyer’s performance of its obligations under the TBA or otherwise, or (ii) the failure of Buyer to perform or discharge any of its obligations as required by the TBA. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not have any indemnification or other liability or responsibility to Buyer in respect of any obligations or liabilities assumed by Buyer under the TBA or arising out of or caused by Buyer’s actions in connection with the TBA or failure to perform or discharge its obligations as required by the TBA.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date set forth above.

KSEE TELEVISION, INC.



Name: Lawrence I. Wills

Title: Vice President and Secretary

KSEE LICENSE, INC



Name: Lawrence I. Wills


Title: Vice President and Secretary

NEXSTAR BROADCASTING, INC.

Name:

Title:

**FOR PURPOSES OF SECTION 11.16 ONLY:
GRANITE BROADCASTING CORPORATION**



Name: Lawrence I. Wills

Title: Senior Vice President, CFO and Secretary

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date set forth above.


KSEE TELEVISION, INC.

Name: Lawrence I. Wills
Title: Vice President and Secretary

KSEE LICENSE, INC

Name: Lawrence I. Wills
Title: Vice President and Secretary

NEXSTAR BROADCASTING, INC.



Name: Thomas E. Carter
Title: Executive Vice President &
Chief Financial Officer

**FOR PURPOSES OF SECTION 11.16 ONLY:
GRANITE BROADCASTING CORPORATION**

Name: Lawrence I. Wills
Title: Senior Vice President, CFO and Secretary

