

ASSET PURCHASE AGREEMENT

dated as of September 20, 2013

by and between

NPG OF CALIFORNIA, LLC

and

COWLES CALIFORNIA MEDIA COMPANY

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Asset Purchase Agreement

This Asset Purchase Agreement (this “Agreement”) is made as of this 20th day of September, 2013, by and between Cowles California Media Company, a Washington corporation (“Seller”), and NPG of California, LLC, a Missouri limited liability company (“Purchaser”).

Seller is the licensee of television broadcast stations KKFJ-CA, San Luis Obispo, California, KION-TV, Monterey, California, and KMOV-LP, Monterey, California (collectively, the “Stations”), pursuant to certain licenses, permits, authorizations and approvals issued by the Federal Communications Commission (the “FCC”).

Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all assets owned, used or held for use by Seller, excluding the Excluded Assets and in connection such purchase and sale, Buyer has agreed to assume certain liabilities of Seller relating to the Stations, all upon the terms and subject to the conditions set forth herein and in the Operative Agreements (as defined below) (such transactions sometimes being referred to herein as the “Transactions”).

Seller and Buyer desire to make certain representations, warranties, covenants and agreements in connection with the Transactions, all as more fully set forth herein.

Now, therefore, in consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I DEFINITIONS

1.1. Certain Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings set forth below:

- (a) “Accounts Receivable” means all accounts receivable, notes receivable and other monies due to Seller for sales of advertisements related to the Stations attributable to the period prior to the Effective Time, whether billed before or after Closing.
- (b) “Action” means any claim, action, suit or proceeding, arbitral action, governmental inquiry, criminal prosecution or other investigation.
- (c) “Affiliate” means, as applied to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with, that Person, or (ii) any director, partner, member, officer, manager, agent, employee or relative of such Person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling,” “controlled by,” and “under common control with”) as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities, by contract or otherwise.
- (d) “Business Day” means any weekday (Monday through Friday) on which commercial banks in Santa Maria, California are open for business.
- (e) “Business Intellectual Property” means Intellectual Property that is used or held for use by Seller as currently conducted, including the Intellectual Property listed on Schedule 4.6.

(f) “Communications Act” means the Communications Act of 1934, as amended, any successor statute thereto, and all rules, regulations and published policies of the FCC promulgated thereunder.

(g) “Contract” means any currently enforceable contract, agreement, non-governmental license, sales and purchase orders, indenture, note, bond, instrument, lease, conditional sales contract, mortgage, license, franchise agreement, concession agreement, security interest, guaranty, binding commitment or other agreement.

(h) “DMA” means, with respect to the Stations, the Stations’ Nielsen Designated Market Area.

(i) “Employee Plan” means any (a) employee benefit plan, agreement, arrangement or policy, whether or not subject to ERISA, including any retirement, pension, deferred compensation, severance, profit sharing, savings, group health, dental, life insurance, disability, cafeteria or vacation plan, agreement, policy or arrangement; (b) any equity or equity-based compensation plan or arrangement; (c) any bonus or incentive arrangement; and (d) any severance or termination agreements, policies or arrangements that are not covered by ERISA; in each case, sponsored, maintained or contributed to or required to be maintained or contributed to by Seller or with respect to which Seller, has or may have actual or contingent liability or obligation for the benefit of any current or former Business Employee, director and/or independent contractor who is or was directly engaged, exclusively, in the business.

(j) “Encumbrance” means any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer (such as a right of first refusal or other similar right), defect of title, or other encumbrance of any kind or character.

(k) “Enforceability Exceptions” means the exceptions or limitations to the enforceability of Contracts under principles of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Law affecting creditors’ rights and relief of debtors generally, and rules of law and general principles of equity including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(l) “Environmental Law” means any applicable law, order, regulation, decree, permit, license, ordinance, or other federal, state, county, provincial, local or foreign governmental requirements relating to pollution, the protection of human health and the environment, or the discharge or Release of any Hazardous Substance into the environment.

(m) “Equipment” means all machinery, equipment, computers, motor vehicles, aircraft, furniture, fixtures, furnishings, Transmission Equipment, tools, parts and supplies, inventory, advertising and promotional materials, blank films, tapes, telecommunications equipment and all other items of tangible personal property (other than the Excluded Assets) owned or leased by Seller and used or held for use by it, including those items listed and described on Schedule 4.5 (other than such items that are no longer in use as a result of obsolescence or having been replaced by other property).

(n) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

- (o) “ERISA Affiliate” means any Person that is or has at any relevant time been treated as a single employer with Seller under Sections 414(b), (c), (m) or (o) of the Internal Revenue Code, or any Person that is or has at any relevant time been “under common control” with Seller within the meaning of Section 4001(b) of ERISA.
- (p) “FCC Consent” means the actions of the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting consent to the assignment of the FCC Licenses necessary for the consummation of the Transactions.
- (q) “FCC Licenses” means all of the FCC licenses, permits and other authorizations issued to Seller with respect to television broadcast stations KAFX-CA, KION-TV and KMUV-LP, including the FCC licenses, permits and other authorizations identified in Schedule 4.16(a).
- (r) “GAAP” means generally accepted accounting principles in the United States.
- (s) “Governmental Authority” means any government, any governmental entity, department, commission, board, agency or instrumentality, and any court, tribunal, or judicial body, in each case whether federal, state, county, provincial, local or foreign.
- (t) “Governmental Order” means any statute, rule, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.
- (u) “Hazardous Substance” means petroleum, petroleum by-products, polychlorinated biphenyls and any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste or any pollutant that is labeled or regulated as such by any Governmental Authority pursuant to an Environmental Law.
- (v) “Income Tax” means any federal, state, county, provincial, local or foreign income, business profits or other similar Tax, any withholding or estimated Tax related thereto, any interest and penalties (civil or criminal) thereon or additions thereto, and any expenses incurred in connection with the determination, settlement or litigation of any Liabilities related to any such Tax.
- (w) “Independent Accounting Firm” means Grant Thornton, LLP.
- (x) “Intellectual Property” means any (i) patents, patent disclosures and related improvements, (ii) trademarks, service marks, trade dress, logos, trade names, call letters, corporate names and second-level domain names, along with any associated goodwill, (iii) copyrights and copyrightable works, (iv) trade secrets and confidential business information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information), (v) registrations and applications to register any of the foregoing, if applicable, and (vi) rights to sue with respect to past and future infringements of any of the foregoing.
- (y) “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

- (z) “IRS” means the United States Internal Revenue Service, and any successor agency thereto.
- (aa) “Knowledge of Seller,” “Seller’s Knowledge,” “known to Seller” and phrases of similar import mean, with respect to any matter in question relating to Seller, the actual knowledge of such matter by the named individuals listed in Schedule 1.1(aa), after reasonable due inquiry.
- (bb) “Law” 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 Authority, including any applicable Governmental Order.
- (cc) “Liability” means any indebtedness, obligation and other liability (whether absolute, accrued, matured, contingent (or based upon any contingency), known or unknown, fixed or otherwise, or whether due or to become due), including, any fine, penalty, judgment, award or settlement respecting any judicial administrative or arbitration proceeding, damage, loss, claim or demand with respect to any Law.
- (dd) “License” means any franchise, approval, permit, order, authorization, consent, license, registration or filing, certificate, variance and any other similar right obtained from or filed with any Governmental Authority.
- (ee) “Material Adverse Effect” means any event, condition, change, occurrence, development, circumstance, effect or state of facts (each, an “Effect”) that, individually or in the aggregate with any such other Effect, that would reasonably be expected to (i) prevent Seller from consummating the Transactions or performing its obligations under this Agreement, or (ii) be materially adverse to the assets, properties, operations, business, financial condition or results of operations of the Stations, taken as a whole, except for any such Effect arising out of, resulting from or attributable to, directly or indirectly, individually or in the aggregate: (i) any federal, state, local or foreign governmental actions, including proposed or enacted legislation, regulatory changes or Law, except to the extent such changes disproportionately affect the Stations (relative to other participants in the broadcast television industry); (ii) changes in GAAP or regulatory accounting principles, (iii) actions taken with the Purchaser’s written consent, (iv) conditions in the United States or global economy or capital, credit or financial markets generally, except to the extent such changes disproportionately affect the Stations (relative to other participants in the broadcast television industry), (v) Effects generally applicable to the broadcast television industry, except to the extent such conditions disproportionately affect the Stations (relative to other participants in the broadcast television industry), (vi) the ratings performance of any network with which a Station is affiliated; (vii) natural disasters, hostilities, acts of terrorism or war, or any material escalation of any such hostilities, acts of terrorism or war; and (viii) the execution and delivery of this Agreement and the announcement of this Agreement and the Transactions contemplated hereby.
- (ff) “MVPD” means any multi-channel video programming distributor.
- (gg) “Net Accounts Receivable” means the Accounts Receivable as of the applicable date less any credits due advertisers as of such date.

(hh) “Organizational Documents” means, with respect to any Person (other than an individual), the articles or certificate of incorporation, bylaws, certificate of formation, limited liability company operating agreement, and all other organization documents of such Person.

(ii) “Operative Agreements” means, collectively, this Agreement, the Bill of Sale, the Assignment and Assumption, the Assignments and Assumptions for Leases, the Assignment and Assumption for FCC Licenses and any other agreement delivered in connection with the Closing, if any.

(jj) “Other Seller Stations” means, any other station or business unit of Seller other than the Stations.

(kk) “Permitted Encumbrances” means, as to any Transferred Asset, (i) liens for Taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith; (ii) zoning laws and ordinances and similar Laws that are not materially violated by any existing improvement or that do not prohibit the use by Purchaser following the Closing of the applicable Transferred Assets subject thereto as currently used in the operation of the Stations; (iii) minor defects of title, easements, rights-of-way, restrictions and other minor imperfections or irregularities in title that are reflected in the public records that do not individually or in the aggregate materially interfere with the right or ability to use the applicable Transferred Assets as presently utilized; and (iv) Encumbrances that will be released or discharged prior to or as of the Closing.

(ll) “Person” means any individual, general or limited partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

(mm) “Program Rights” means the rights of the Stations presently existing or obtained after the date of this Agreement and prior to the Closing Date in accordance with the terms of this Agreement, to distribute television programs as part of the programming a Station broadcasts over-the-air to the public, including all film and program barter agreements, sports rights agreements, news rights or service agreements and syndication agreements related to the Stations, in each case, that are either (i) owned by Seller or (ii) licensed to Seller.

(nn) “Real Property” means the Leased Real Property and the Owned Real Property.

(oo) “Release” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a Hazardous Substance into the environment.

(pp) “Tax” means any federal, state, local or foreign income, gross receipts, sales, use, ad valorem, employment, severance, transfer, gains, profits, excise, franchise, property, capital stock, premium, minimum and alternative minimum or other taxes, fees, levies, duties, assessments or charges of any kind or nature whatsoever imposed by any Governmental Authority (whether payable directly or by withholding), together with any interest, penalties (civil or criminal), additions to, or additional amounts imposed by, any Governmental Authority with respect thereto, and any expenses incurred in connection with the determination, settlement or litigation of any Liability therefor.

(qq) “Tax Return” means a report, return or other information required to be supplied to a Governmental Authority with respect to any Tax.

(rr) “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 Stations in consideration for any property or service in lieu of cash.

(ss) “Transmission Equipment” means all analog, digital and other equipment owned by Seller and used or held for use in the operations of the Stations, including the antenna, transmitter and all associated transmission equipment, lines and facilities.

1.2. Certain Additional Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings ascribed thereto in the respective sections of this Agreement set forth opposite each such term below:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Assignment and Assumption	3.2(a)
Assignment and Assumption for FCC Licenses	3.2(a)
Assignments and Assumptions for Leases	3.2(a)
Assumed Liabilities	2.2(b)
Base Purchase Price	2.3(a)
Benefit Plan(s)	4.10(a)
Bill of Sale	3.2(a)
Business Contract(s)	2.1(b)
Business Employee(s)	4.9
Business Insurance Policies	4.19
Business License(s)	2.1(b)
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Closing Accounts Receivable	2.5(a)
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<u>Term</u>	<u>Section</u>
FAA	4.16(b)
FCC	Recitals
FCC Applications	6.3(b)
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Financial Statements	4.11(a)
Improvements	2.1(b)
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Indemnifying Party	8.4(a)
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Multi-Station Contract Rights	2.7
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Owned Real Property	2.1(b)
Proceeds	6.8(a)
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Transactions	Recitals
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Transferred Employees	6.6(a)
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ARTICLE II
PURCHASE AND SALE OF ASSETS

2.1. Purchase and Sale of Transferred Assets.

(a) Purchase and Sale. Upon the terms and subject to the conditions set forth herein, at the Closing Purchaser shall purchase from Seller, and Seller shall irrevocably sell, convey, transfer, assign and deliver to Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances, all right, title and interest of Seller in and to the Transferred Assets.

(b) Transferred Assets. For all purposes of and under this Agreement, the term “Transferred Assets” shall mean, refer to and include all properties, assets, privileges, rights, interests and claims, real, personal or mixed, tangible and intangible, of every type and description (other than the Excluded Assets), that are owned or leased by Seller as of the Closing Date. Without limiting the foregoing, the Transferred Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(i) The FCC Licenses and the call letters for KKFX-CA, KION-TV and KMUV-LP;

(ii) all parcel(s) of real property, as more fully described in Schedule 4.13(a) (the “Owned Real Property”), and all the rights arising out of the ownership thereof or appurtenant thereto, including all rights, privileges, grants and easements appurtenant to Seller’s interest in the Owned Real Property, together with all buildings, structures, facilities, fixtures and other improvements (“Improvements”) thereon;

(iii) all lease(s) of real property (the “Real Property Leases”), as more fully described in Schedule 4.13(b), as to which Seller is the lessee (the real property demised by a Real Property Lease being called, the “Leased Real Property”);

(iv) all Equipment;

(v) the Accounts Receivable;

(vi) to the extent transferable by Seller to Purchaser (other than the FCC Licenses, which are the subject of clause (i) above), all Licenses possessed by Seller and all rights thereunder (each a “Business License” and, collectively, the “Business Licenses”);

(vii) to the extent transferable by Seller to Purchaser, all Contracts (other than Real Property Leases, which are the subject of clause (iii) above) to which Seller is a party and all rights of Seller thereunder (together with the Real Property Leases, each a “Business Contract” and, collectively, “Business Contracts”);

(viii) subject to any restrictions on transfer or assignment, all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets and all licenses and rights in relation thereto;

(ix) all books and records maintained by Seller for the operation of the Stations;

- (x) to the extent transferable by Seller to Purchaser, the Business Intellectual Property, subject to any restrictions on transfer or assignment thereof;
 - (xi) all prepaid expenses and charges attributable to the period prior to the Effective Time in respect of the Stations and attributable to periods on or after the Effective Time, in each case, to the extent reflected in the Prorations;
 - (xii) to the extent assignable, all of Seller's rights, claims, credits, causes of action or rights of set-off against third parties relating to the Stations or the Transferred Assets, including claims pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors and other third parties in connection with products or services purchased by or furnished to Seller for use in the Stations or affecting any of the Transferred Assets; and
 - (xiii) all goodwill associated with the Transferred Assets.
- (c) Excluded Assets. Notwithstanding anything to the contrary herein, Seller shall not convey, assign, or transfer to Purchaser, and Purchaser shall not acquire or have any rights to acquire, the following assets (the "Excluded Assets"):
- (i) all cash, cash equivalents and securities of Seller;
 - (ii) all bank and other depository accounts of Seller;
 - (iii) all corporate, organizational or tax records and tax returns (other than those tax records and tax returns related to personal and real property taxes with respect to the Transferred Assets) and minute books of Seller;
 - (iv) all refunds of Taxes;
 - (v) all Business Insurance Policies (including, without limitation, title insurance policies) or other insurance policies relating to the Stations, any refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Stations, and any claims made under any such insurance policies;
 - (vi) any accounts receivable, notes receivable and other monies due to Seller that are not Accounts Receivable;
 - (vii) subject to Section 6.6, rights in or any assets associated with or allocated to the Benefit Plans;
 - (viii) any Business Contract (A) that is subject to Section 3.5, unless and until consent to the assignment of such Business Contract is obtained pursuant to Section 3.5 (subject to obligations of the parties as set forth in Section 3.5), (B) listed on Schedule 2.1(c)(viii), or (C) entered into prior to the date hereof that was required to be listed on Schedule 4.7(a) but was not so listed thereon and that is designated by Purchaser within thirty (30) days of the discovery by Purchaser that such Business Contract was required to be listed on Schedule 4.7(a) but was not so listed, or (D) that was entered into, renewed or amended after the date hereof in violation of Section 6.1 (collectively, the "Excluded Contracts").

(ix) all intercompany debts and other obligations due to Seller from any Affiliates of Seller;

(x) all rights of Seller under this Agreement and the other Operative Agreements, the Purchase Price hereunder, any agreement, certificate, instrument or other document executed and delivered by Seller or Purchaser in connection with the Transactions, or any side agreement between Seller and Purchaser entered into on or after the date of this Agreement;

(xi) the Santa Maria News Production control room including the Ross switcher and OverDrive, associated monitors, character generator/graphics, video servers and playback, cabinets, audio board, camera controllers, scan converters, software, and other associated equipment located in or controlled by the Santa Maria News Production Control Room (the “Ross Production System” as detailed in Schedule 2.1(c)(xi)), which Seller shall remove from its current location within three (3) months after Purchaser notifies Seller that it has ceased using the Ross Production System (which notice shall be given no later than six (6) months after Closing); provided, however, that the studio equipment located therein (e.g., studio cameras, teleprompters, lighting, etc.) shall not be considered an Excluded Asset pursuant to this Section 2.1(c)(xi);

(xii) the intellectual property assets and rights used for Seller’s “C2” web and digital operations as set forth in Schedule 2.1(c)(xii);

(xiii) the assets used for the operation of KCBA-TV, as described in Schedule 2.1(c)(xiii) (the “Seal Rock Equipment”), which are being transferred to Seal Rock Broadcasters, LLC, upon the termination of the Time Brokerage Agreement and Shared Services Agreement for KCBA-TV (the “Seal Rock Agreements”);

(xiv) the FCC licenses, permits and other authorizations issued to Seller with respect to television broadcast station KCOY-TV and associated Contracts and transmission equipment, as set forth on Schedule 2.1(c)(xiv); and

(xv) the assets and rights expressly set forth on Schedule 2.1(c)(xv).

2.2. Assumption of Liabilities.

(a) Assumption. Upon the terms and subject to the conditions set forth herein, at the Closing Purchaser shall assume from Seller (and thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms), and Seller shall irrevocably convey, transfer and assign to Purchaser, all of the Assumed Liabilities of Seller.

(b) Assumed Liabilities. For all purposes of and under this Agreement, the term “Assumed Liabilities” shall mean, refer to and include all Liabilities of Seller (i) under the Business Contracts validly assigned to Purchaser (other than any Excluded Contracts) to the extent attributable to the period at or after the Effective Time, (ii) relating to the Transferred Assets arising during, or attributable to, any period of time at or after the Effective Time; (iii) Purchaser’s obligations pursuant to Section 3.5; (iv) all liabilities of Seller to the extent included in the calculation of the Prorations; and (v) the Multi-Station Contract Obligations pursuant to Section 2.7.

(c) Excluded Liabilities. Purchaser shall not assume, and the term “Assumed Liabilities” shall not mean, refer to or include (and, therefore, the “Excluded Liabilities” shall consist of) all Liabilities not expressly assumed by Purchaser, including the following:

(i) any Liability of Seller arising out of or relating to any Excluded Contract or any other Excluded Asset;

(ii) any liability or obligation of Seller arising out of or relating to any Action by any Person, whether pending, threatened or asserted before, on or after the Closing Date;

(iii) any liability or obligation for continuation of health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 for employees of Seller who are not employed by Buyer after the Closing; or

(iv) any and all other Liabilities of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown, or any claims asserted against the Stations or any of the Transferred Assets or other items transferred to Buyer by Seller relating to any event (whether act or omission) prior to the Effective Time, including the payment of all Taxes.

2.3. Consideration for Transferred Assets.

(a) Payment. The consideration for the Transferred Assets shall be (i) (A) Twenty-One Million Nine Hundred Fifty Thousand Dollars (\$21,950,000), plus (B) an amount equal to eighty-five percent (85%) of the face value of the Net Accounts Receivable as of the Closing Date as set forth on Schedule 4.12, as such Schedule is updated as of the Closing Date in accordance with Section 2.5(a), in cash (the “Base Purchase Price”), subject to adjustment as provided in Section 2.4 (the Base Purchase Price, as so adjusted, the “Purchase Price”) and (ii) the assumption by Purchaser of the Assumed Liabilities pursuant to Section 2.2. Purchaser shall pay the Purchase Price as determined pursuant to Section 2.4 and Section 2.5 at Closing as follows: (y) the Escrow Deposit, plus any interest or earnings on the Escrow Deposit to be paid to the Seller as directed by the Purchaser in the Joint Instructions, shall be paid by the Deposit Escrow Agent to the Seller, by wire transfer of immediately available funds in accordance with written instructions set forth in the Joint Instructions, and (z) the balance of the Purchase Price (i.e., the Purchase Price reduced by the Escrow Deposit, plus that portion of any interest and earnings thereon that the Purchaser directs to be paid to Seller in the Joint Instructions) shall be paid by the Purchaser to the Seller, by wire transfer of immediately available funds in accordance with written instructions delivered by the Seller at least three (3) days prior to Closing.

(b) Escrow Deposit. Simultaneously with the execution of this Agreement, Purchaser has delivered to UMB Bank, n.a. (the “Deposit Escrow Agent”) the sum of Two Million Three Hundred Thousand Dollars (\$2,300,000) to be held as an earnest money deposit (“Escrow Deposit”) pursuant to an Escrow Agreement of even date herewith (the “Deposit Escrow Agreement”). At the Closing, the Escrow Deposit and, at the election of Purchaser, the portion of the interest and earnings thereon specified by the Purchaser, shall be paid to Seller as partial payment of, and a credit against, the cash Purchase Price due at Closing. In the event that this Agreement is terminated pursuant to the terms hereof, the Escrow Deposit shall be paid to the Seller or paid to the Purchaser in accordance with Section 9.1. Any portion of the interest and earnings on the Escrow Deposit not paid to Seller shall be paid to Purchaser. Purchaser and

Seller shall deliver such instructions to the Deposit Escrow Agent as may be necessary to disburse the Escrow Deposit in accordance with the terms of this Agreement.

2.4. Proration.

(a) General Allocation Principles. Except as otherwise provided in Section 2.4(b), the ownership and operation of the Transferred Assets, and the revenues, expenses, and liabilities attributable thereto, including power and utilities charges, rents and income, and other accruing, wages and vacation pay of Transferred Employees, prepaid and deferred items, will be prorated between Seller and Purchaser in accordance with the following principles and in accordance with GAAP:

(i) Seller will be allocated with respect to the Transferred Assets all revenues earned, accrued, or allocable to, and all expenses, costs and liabilities incurred in or allocable to, the period prior to the Effective Time;

(ii) Purchaser will be allocated with respect to the Transferred Assets all revenues earned, accrued or allocable to, and all expenses, costs and liabilities incurred in or allocable to, the period at or after the Effective Time;

(iii) (A) If at the Effective Time, any 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 time), there shall be no proration or adjustment therefor, unless the aggregate negative balance of the Stations' Trade Agreements exceeds \$5,000, in which event only such excess shall be treated as prepaid time sales of the Stations, and adjusted for as a proration in Purchaser's favor, and (B) there shall be no proration under this Section 2.4(a)(iii) to the extent there is an aggregate positive balance with respect to the Stations' Trade Agreements; and

(iv) Seller shall remain or be solely liable with respect to the Excluded Liabilities whether arising before or after Closing Date.

(v) The Purchase Price shall be decreased by an amount equal to \$45,000.00 (which the parties have agreed is the value of the two automobiles listed on Schedule 2.1(c)(xv)) less the amount paid by Seller between the date of this Agreement and the Closing to pay off all leases related to automobiles leased by Seller (and title to all such automobiles shall be delivered to Purchaser at Closing free and clear of all Encumbrances).

(vi) At the Closing, the Purchase Price will be increased or decreased, as appropriate, in order to give effect to this Section 2.4, based on the estimate described in Section 2.5.

(b) Treatment of Program Liabilities. Notwithstanding Section 2.4(a), as between Purchaser and Seller:

(i) Seller will be allocated all obligations to make cash payments of license and usage fees pursuant to any Business Contract for Program Rights validly assigned to Purchaser ("Program Payments") that first become due and payable under the terms of

such Contract for Program Rights prior to the first day of the applicable payment period that includes the Closing Date;

(ii) Purchaser will be allocated all obligations to make Program Payments that first become due and payable under the terms of any applicable Business Contract for Program Rights validly assigned to Purchaser during the applicable payment period that includes the Closing Date: (A) Seller will be allocated all obligations to make a portion of each such Program Payment that is equal to a fraction, the numerator of which is the number of days (if any) during such applicable payment period that are prior to the Closing Date and the denominator of which is the total number of days during such applicable payment period, and (B) Purchaser will be allocated obligations to make the remaining portion of such Program Payments.

(iii) with respect to Program Payments that first become due and payable under the terms of any applicable Business Contract for Program Rights validly assigned to Purchaser during the applicable payment period that includes the Closing Date: (A) Seller will be allocated all obligations to make a portion of each such Program Payment that is equal to a fraction, the numerator of which is the number of days (if any) during such applicable payment period that are prior to the Closing Date and the denominator of which is the total number of days during such applicable payment period, and (B) Purchaser will be allocated obligations to make the remaining portion of such Program Payments.

(c) Billing and Collection of Receivables.

(i) On and after the Closing Date (if the Closing Date is on or before November 30, 2013) through November 30, 2013, Purchaser shall assist Seller by issuing invoices for time sold on KCBA-TV and remitting amounts collected for such period and in such manner as required by the termination provisions of the Seal Rock Agreements. Thereafter, Purchaser shall hold any payments that it receives for advertising on KCBA in trust for the benefit of Seller and promptly forward such payments to Seller. Purchaser shall have no liability with respect to such services unless caused by the willful misconduct of Purchaser; and

(ii) If and to the extent that Seller receives any Accounts Receivable after the Closing, Seller shall hold such Accounts Receivable in trust for the benefit of Purchaser and shall promptly (but not later than five business days) notify Purchaser thereof and promptly remit such Accounts Receivable to Purchaser.

2.5. Adjustment Procedures. The adjustments specified in Section 2.4 shall be determined in accordance with the following procedures:

(a) Estimate for Closing. Seller shall, no later than five (5) Business Days prior to the scheduled Closing Date, prepare and deliver to Purchaser (i) a good faith estimate of the prorations and adjustments to the Purchase Price that are required in order to give effect to Section 2.4 (the “Prorations”); and (ii) a revised Schedule 4.12 to reflect a good faith estimate of the value of the Accounts Receivable on the Closing Date (the “Closing Accounts Receivable”). A sample statement, reflecting the Prorations that would be required as if the Closing Date were June 30, 2013 is set forth on Schedule 2.5.

(b) Post-Closing Adjustment.

(i) As promptly as possible after the Closing, but in any event not later than ninety (90) days after the Closing Date, Purchaser shall deliver to Seller a statement setting forth Purchaser’s determination of the Prorations and Closing Accounts Receivable. In connection with Seller’s review of such determination, Purchaser will

furnish Seller with such information as may be reasonably requested by Seller. If Seller disputes the amount of the Prorations and/or Closing Accounts Receivable determined by Purchaser, Seller shall deliver to Purchaser within thirty (30) days after Seller's receipt of Purchaser's statement setting forth Seller's determination of the Prorations and/or Closing Accounts Receivable. If Seller notifies Purchaser of its acceptance of Purchaser's statement, or if Seller fails to deliver its statement within the period specified in the preceding sentence, Purchaser's determination of the Prorations and Closing Accounts Receivable shall be conclusive and binding on the parties as of the last day of the thirty (30) day period.

(ii) Seller and Purchaser shall use good faith efforts to resolve any dispute involving the determination of the Prorations and Closing Accounts Receivable. If the parties do not resolve the dispute within thirty (30) days following the delivery of Seller's statement pursuant to Section 2.5(b)(i), Seller and Purchaser shall jointly designate the Independent Accounting Firm to resolve the dispute. The Independent Accounting Firm's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of the Independent Accounting Firm incurred under this Section 2.5(b)(iii) shall be split equally between Seller on one hand and Purchaser on the other hand.

(iii) Final settlement of the Prorations and Closing Accounts Receivable, in cash, will be made no later than the fifth (5th) Business Day after the value of the Prorations and Closing Accounts Receivable are finally determined pursuant to this Section 2.5. The Purchase Price as finally determined pursuant to this Section 2.5 is referred to as the "Final Purchase Price." If the Final Purchase Price exceeds the Purchase Price paid by Purchaser to Seller at Closing, then Purchaser shall pay Seller the amount of such excess, and, if the Purchase Price paid by Purchaser to Seller at Closing exceeds the Final Purchase Price, then Seller shall pay the amount of such excess to Purchaser.

2.6. Allocation of Purchase Price. The consideration for the Transferred Assets provided herein shall be allocated among the various categories of Transferred Assets in accordance with their respective fair market values. The parties hereto shall use their reasonable efforts prior to Closing to reach agreement on a reasonable allocation of consideration to such categories of Transferred Assets. If Purchaser and Seller reach such agreement, Purchaser and Seller (i) shall execute and file all Tax Returns in a manner consistent with the allocation determined pursuant to this Section 2.6 and (ii) shall not take any position before any Governmental Authority or in any judicial proceeding that is inconsistent with such allocation. Such agreement shall not be a condition to Closing. Seller and Purchaser shall each timely file a Form 8594 with the IRS in accordance with the requirements of Section 1060 of the Internal Revenue Code. In the event that the parties do not agree to a Purchase Price allocation prior to Closing then each party hereto shall file its own Form 8594.

2.7. Multi-Station Contracts. The rights of each Other Seller Station with respect to such Multi-Station Contract and the obligations of each Other Seller Station to such Multi-Station Contract shall not be assigned to and assumed by Purchaser (and shall be Excluded Assets and Excluded Liabilities, as the case may be). "Multi-Station Contract" means each Business Contract designated as a "Multi-Station Contract" on Schedule 4.7(a). Subject to the provisions of this Section 2.7, to the extent that a Multi-Station Contract expressly permits the assignment of the rights and obligations of the Stations (and not the Other Seller Stations) or the third party to such Multi-Station Contract consents to the assignment of rights and obligations of the Stations (and not the Other Seller Stations), the Transferred Assets shall include those rights to the extent relating to the Stations to the extent attributable to the

period at or after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of such Multi-Station Contract (such rights, the “Multi-Station Contract Rights”), and the Assumed Liabilities shall include those obligations to the extent relating to the Stations to the extent attributable to the period at or after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of each such Multi-Station Contract (such obligations, the “Multi-Station Contract Obligations”). Subject to the provisions of this Section 2.7, to the extent that a Multi-Station Contract does not expressly permit the assignment of the rights and obligations of the Stations (and not the Other Seller Stations) or the third party consent is not so obtained, the Multi-Station Contract Obligations shall only include those obligations to the extent relating to the Stations to the extent attributable to the period at or after the Effective Time under a Multi-Station Contract to the extent that the corresponding Multi-Station Contract Rights are received by Purchaser. All rights and obligations that arise under a Multi-Station Contract other than the Multi-Station Contract Rights and the Multi-Station Contract Obligations shall in all cases be included in the Excluded Assets and the Excluded Liabilities, as applicable. Subject to any applicable third-party consents, authorizations, approvals, waivers or notices, such assignment of the Multi-Station Contract Rights and the Multi-Station Contract Obligations shall be effectuated, at the election of Seller, by termination of the Multi-Station Contract in its entirety and the execution of new contracts (with terms no less favorable to Purchaser, and a term not longer, than the current Multi-Station Contract, in all material respects) or by an assignment to and assumption by Purchaser of the Multi-Station Contract Rights and the Multi-Station Contract Obligations under such Multi-Station Contract. The parties shall use commercially reasonable efforts to obtain any such new contracts or assignments to, and assumptions by, Purchaser in accordance with this Section 2.7 and Section 3.5. Unless requested in writing by Purchaser, Seller shall take all actions required by the terms of each Multi-Station Contract to prevent the automatic renewal of such Multi-Station Contract solely with respect to the Stations.

ARTICLE III THE CLOSING

3.1. Time and Place. The consummation of the Transactions shall (a) take place at a closing (the “Closing”) to be held at 10:00 a.m., Central time, on the date which is the third (3rd) Business Day after satisfaction and fulfillment or, if permissible pursuant to the terms hereof, waiver of the conditions set forth in Sections 7.1 and 7.2, other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing, (b) be effective as of 12:01 a.m., local Santa Maria, California time, on the Closing Date (the “Effective Time”), and (c) by the exchange of signed documents by e-mail, in each case, unless another time, date or place is mutually agreed upon in writing by Seller and Purchaser. The date on which the Closing is to occur is referred to herein as the “Closing Date.”

3.2. Closing Deliveries of Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Purchaser the following (which in the case of any instruments, certificates and other documents shall be dated as of the Closing Date and executed or acknowledged (as applicable) on behalf of Seller by a duly authorized officer thereof):

(a) Instruments of Transfer and Assignment.

(i) A bill of sale, substantially in the form attached as Exhibit A (the “Bill of Sale”);

(ii) General warranty deeds in form and substance reasonably satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Purchaser all right, title and interest of Seller in and to the Owned Real Property in accordance with the terms hereof;

- (iii) an instrument of assignment and assumption, substantially in the form attached as Exhibit B (the “Assignment and Assumption”);
- (iv) an assignment and assumption of lease or leases with respect to the Leased Real Properties, substantially in the form attached as Exhibit C (the “Assignments and Assumptions for Leases”);
- (v) an assignment and assumption of the FCC Licenses, substantially in the form attached as Exhibit D (the “Assignment and Assumption for FCC Licenses”);
- (vi) certificates of title or origin (or like documents) with respect to any motor vehicles for which a certificate of title or origin evidences title, together with properly completed assignments of such vehicles to be delivered by Seller;
- (vii) such other instruments of transfer as Purchaser may reasonably request to convey any Transferred Asset to Purchaser, including the instruction to the Deposit Escrow Agent regarding the payment of the Escrow Deposit to the Seller and the payment of any interest or earnings on the Escrow Deposit as directed by the Purchaser (such instructions, the “Joint Instructions”).
- (b) Closing Certificates and Other Documents.
 - (i) An officer’s certificate to be delivered by Seller, which shall certify as to the satisfaction of the conditions set forth in Sections 7.1(a) and 7.1(b);
 - (ii) Certified copies of resolutions, duly adopted by the Board of Directors and Shareholders of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement and the Operative Agreements and the consummation of the transactions contemplated hereby; and
 - (iii) a certificate of Seller certifying as to its non-foreign status which complies with the requirements of Section 1445 of the Internal Revenue Code.

3.3. Closing Deliveries of Purchaser. At the Closing, Purchaser shall make the payment and deliver, or cause to be delivered, to Seller the following (which in the case of any instruments, certificates and other documents shall be dated as of the Closing Date and executed or acknowledged (as applicable) on behalf of Purchaser by a duly authorized officer thereof):

- (a) Purchase Price. (i) The Purchase Price in accordance with Section 2.3; and (ii) the Joint Instructions.
- (b) Instruments of Assumption.
 - (i) The Assignment and Assumption;
 - (ii) the Assignments and Assumptions for Leases;
 - (iii) the Assignment and Assumption for FCC Licenses; and

(iv) all other instruments and certificates of assumption, as Seller may reasonably request in order to effectively make Purchaser responsible for all Assumed Liabilities, including the Joint Instructions.

(c) Closing Certificates and Other Documents.

(i) An officer's certificate, which shall certify as to the satisfaction of the conditions set forth in Sections 7.2(a) and 7.2(b); and

(ii) Certified copies of resolutions, duly adopted by the Manager of Purchaser, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Purchaser of this Agreement and the Operative Agreements and the consummation of the transactions contemplated hereby.

3.4. Further Assurances. At and after the Closing, and without further consideration therefor, (i) Seller promptly shall execute, or arrange the execution of, and deliver to Purchaser such further instruments and certificates of consent, conveyance and transfer as Purchaser may reasonably request in order to more effectively convey and transfer the Transferred Assets from Seller to Purchaser and otherwise consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement and (ii) Purchaser promptly shall execute, or shall arrange the execution of, and deliver to Seller such further instruments and certificates of assumption, novation and release as Seller may reasonably request in order to effectively make Purchaser responsible for all Assumed Liabilities in accordance with the terms of this Agreement.

3.5. Assignment of Business Contracts and Business Licenses. To the extent that transfer or assignment hereunder by Seller to Purchaser of any Business Contract is not permitted or is not permitted without the consent or approval of another Person, any such Business Contract shall not be assigned by Seller to Purchaser at Closing if such consent or approval is not given or obtained by the Closing or if such agreement at Closing otherwise would constitute a breach thereof or constitute a loss of benefits thereunder. Seller and Purchaser shall use their commercially reasonable efforts to obtain any and all such third party consents or approvals under all Business Contracts; provided, however, that neither Seller nor Purchaser shall be required to pay or incur any cost or expense to obtain any third party consent or approval that it is not otherwise required to pay or incur in accordance with the terms of the applicable Business Contract, except for usual and customary legal fees and expenses. If any such third party consent or approval for the assignment or transfer of a Business Contract is not obtained before the Closing, Seller shall cooperate with Purchaser in any reasonable arrangement designed to provide for Purchaser after the Closing the benefits intended to be assigned to Purchaser under the applicable Business Contract, including enforcement at the cost and for the account of Purchaser of any and all rights of Seller against the other party thereto arising out of the breach thereof by such other party or otherwise; provided that Purchaser shall undertake to pay or satisfy the corresponding Liabilities for the enjoyment of such benefit to the extent that Purchaser would have been responsible therefor hereunder if such consent, waiver or approval had been obtained. Upon receipt of any such third party consent or approval after Closing, the applicable Business Contract or Business License shall be automatically assigned to, and assumed by, Purchaser on the terms hereof without further action by Purchaser or Seller.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby represents and warrants to Purchaser as follows:

4.1. Organization. Seller is duly organized, validly existing and in good standing under the Laws of its state of incorporation, with all requisite corporate power and authority to own, operate or lease the Transferred Assets as now owned, operated or leased by it, and to conduct the Stations substantially as presently conducted by it, and is qualified to do business in each jurisdiction in which its Transferred Assets are located.

4.2. Authority. Seller has all requisite corporate power and authority to enter into and deliver this Agreement and the Operative Agreements, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution and delivery by Seller of this Agreement and the Operative Agreements to which it is a party, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions, have been duly authorized by all necessary corporate action. This Agreement and the Operative Agreements have been duly executed and delivered by Seller. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by Purchaser, this Agreement constitutes, and each of the Operative Agreements (when so executed and delivered) will constitute, a legal, valid and binding obligation of Seller, enforceable against it in accordance with their terms, except as such enforceability may be limited by the Enforceability Exceptions.

4.3. No Violation; Third Party Consents. Assuming that all consents, waivers, approvals, orders and authorizations described in Section 4.4 have been obtained and all notifications, registrations, qualifications, designations, declarations or filings with any Governmental Authorities described in Section 4.4 have been made, and, except as set forth in Schedule 4.3, the execution and delivery by Seller of this Agreement and the Operative Agreements, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions, will not conflict in any material respect with or violate in any material respect, constitute a material default (or event which with the giving of notice or lapse of time, or both, would constitute a material default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any material obligation or loss of any material benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the Transferred Assets pursuant to, or require Seller to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result of or under, the terms and provisions of (i) the Organizational Documents of Seller, (ii) any Business Contract listed on Schedule 4.7(a) (or required to be listed thereon), or (iii) any Law applicable to Seller or any of the Transferred Assets, or any Governmental Order issued by a Governmental Authority by which Seller or any of the Transferred Assets bound or obligated.

4.4. Government Consents. No material consent, waiver, approval, order or authorization of, or notification, registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of Seller in connection with the execution and delivery by Seller of this Agreement and the Operative Agreements, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions except the FCC Consent.

4.5. Equipment. Schedule 4.5 contains an accurate and complete list of all material items of Equipment, other than Excluded Assets, owned or leased by Seller as of the date hereof that relates to the program, production, generation or transmission of the Stations' television broadcast signals, or otherwise having an original acquisition cost of at least \$25,000. Seller has good and marketable title to or a valid leasehold interest in, or otherwise has the right to use, all items of Equipment listed in Schedule 4.5, free and clear of all Encumbrances except for Permitted Encumbrances. Except as specified on Schedule 4.5, all Equipment is (i) in good operating condition and repair, subject to normal wear and tear, adequate for its current use, and available for use, in the operation of the Stations and the conduct of the Stations as presently conducted, and (ii) maintained in material compliance with good engineering practice, industry practice and in material compliance with all applicable FCC rules and policies. Except for the Excluded

Assets listed on Schedule 2.1(c)(xiv) and the Ross Production System, the Transferred Assets are all of the assets necessary to operate in all material respects the Stations as presently conducted by Seller. Specifically and without limitation, the Seal Rock Equipment is not necessary for the operation of the Stations (or any Other Seller Station, except KCBA-TV) as they are contemplated to be operated following Closing.

4.6. Intellectual Property and Proprietary Rights. Schedule 4.6 sets forth a list of all applications and registrations for Business Intellectual Property (“Registered Business Intellectual Property”) and sets forth the owner and nature of the interest of Seller therein, and a list of the homepages of the Stations’ Internet websites.

(a) To the extent set forth on Schedule 4.6, Seller is the owner of all right, title and interest in and to each item of Registered Business Intellectual Property and/or has the right to use the Registered Business Intellectual Property in connection with the operation of the Stations as currently conducted. Except as disclosed in Schedule 4.6(a), the Registered Business Intellectual Property has been duly registered with, filed in or issued by, as the case may be, an accredited domain name registrar, the United States Patent and Trademark Office, the United States Copyright Office or other filing offices, domestic or foreign, and such registrations, filings, issuances and other actions remain in full force and effect. Except as set forth in Schedule 4.6(a), Seller has used commercially reasonable efforts to ensure protection of the Registered Business Intellectual Property under any applicable Law.

(b) (i) To the Knowledge of Seller, the use of the Business Intellectual Property in connection with the operation of the Stations as currently conducted does not infringe or otherwise conflict with the Intellectual Property rights of any Person and (ii) no material claim is pending or, to the Knowledge of Seller, has been threatened in writing with respect to the use of the Business Intellectual Property in connection with the operation of the Stations as currently conducted, except, in either case, (i) or (ii), (x) as set forth on Schedule 4.6(b).

(c) To the Knowledge of Seller, (i) none of the Business Intellectual Property owned by Seller is being materially infringed, nor (ii) is such Business Intellectual Property being materially used or available for use by any Person other than Seller, except, in either case, (i) or (ii), as set forth on Schedule 4.6(c).

4.7. Business Contracts.

(a) Schedule 4.7(a) contains a list of the Business Contracts of Seller included in the Transferred Assets other than (i) any oral or written Contract involving less than \$10,000 for the purchase or sale of goods, supplies, equipment, capital assets, products or services (other than Contracts for the purchase of programming); (ii) any Business Contracts for advertising on the Stations; (iii) any service contracts terminable by Seller on no more than 60 days’ notice; and (iv) any Contract listed on Schedule 2.1(c)(xiv) as an Excluded Asset. Notwithstanding the foregoing provisions of this Section 4.7(a), the aggregate amount of all payments to or by Seller under Business Contracts included in the Transferred Assets which are not listed on Schedule 4.7(a) does not exceed \$50,000.

(b) Except as set forth in Schedule 4.7(b) (i) each Business Contract represents a valid, binding and enforceable obligation of Seller in accordance with the respective terms thereof and, to Seller’s Knowledge, represents a valid, binding and enforceable obligation of each of the other parties thereto, except, in each case, as such enforceability may be limited by the Enforceability Exceptions, (ii) neither Seller, and to the knowledge of Seller, nor any other party

is in material breach or default under any Business Contract, (iii) as of the date hereof no outstanding notice of default has been sent or received under any Business Contract, and (iv) true, correct and complete copies of such Business Contracts listed on Schedule 4.7(a) have been made available to Purchaser. To Seller's Knowledge, Seller has entered into retransmission consent agreements with respect to each MVPD with more than 2,500 subscribers in each of the Stations' DMAs.

4.8. Business Licenses. Except as set forth in Schedule 4.8, Seller owns or possesses all right, title and interest in and to all FCC Licenses and all other material Licenses which are necessary for it to conduct the operations of the Stations substantially as currently conducted (each, a "Material Business License" and, collectively, the "Material Business Licenses"). Schedule 4.8 contains a list of all Material Business Licenses of Seller (other than the FCC Licenses) included in the Transferred Assets. No loss or expiration of any such Material Business License has occurred, is pending or, to the Knowledge of Seller, threatened in writing, other than (a) the expiration of any such Material Business License in accordance with the terms thereof which may be renewed in the ordinary course of business, or (b) the expiration of the term of the Material Business Licenses that remain in effect by operation of law pending disposition of a pending renewal application.

4.9. Business Employees. Schedule 4.9 lists all employees of Seller who, as of the date of this Agreement, have employment duties related to the Stations, including any such employee who is an inactive employee on paid or unpaid leave of absence, short-term disability or long-term disability, and indicating such employee's date of employment, current title as of the date hereof and salary as of the date hereof. Each employee set forth in Schedule 4.9 who remains employed by Seller immediately prior to the Closing (whether actively or inactive), and each additional employee who is hired to work at the Stations following the date hereof and prior to the Closing who remains employed by Seller immediately prior to the Closing (whether actively or inactive), is referred to herein individually as a "Business Employee" and, collectively, as the "Business Employees." Schedule 4.9 also contains list of any consultants or independent contractors providing services to Seller in the day-to-day operations of the Stations and a description of any Contracts of Seller therewith. Except as described in Schedule 4.9, Seller has no written or oral contracts of employment with any Business Employee other than oral employment agreements terminable at will without penalty.

4.10. Employee Benefit Plans.

(a) Schedule 4.10 lists each material employment, bonus, incentive compensation, deferred compensation, pension, profit sharing retirement, stock purchase, stock option, stock ownership, equity (or equity-based), leave of absence, vacation, day or dependent care, cafeteria, life, health, medical, accident, disability, workmen's compensation or other insurance, severance, change of control or other benefit plan, agreement (including any collective bargaining agreement), practice, policy or arrangement, whether written or oral, and whether or not subject to ERISA (including any "employee benefit plan" within the meaning of Section 3(3) of ERISA), which Seller sponsor, maintains, has any obligation to contribute to, has Liability under or is otherwise a party to, and which covers or otherwise provides benefits to the Business Employees (or their dependents and beneficiaries) (with respect to their relationship with the Stations) (each, a "Benefit Plan" and, collectively, the "Benefit Plans").

(b) Seller is not, and has not been, required to contribute to any "multiemployer plan," as defined in ERISA Section 3(37), nor has Seller withdrawn from such a "multiemployer plan." Except as required under Code Section 4980B or ERISA Sections 601-609, no Employee Plan provides health or medical coverage to former Employees of Seller. Each Benefit Plan has

been operated and maintained in material compliance with its terms and with the requirements prescribed by all applicable Law (including ERISA and the Code).

(c) With respect to each Benefit Plan, (i) such Benefit Plan that is intended to be tax-qualified, and each amendment thereto, is the subject of a favorable determination letter except as described in Schedule 4.10, and no Benefit Plan amendment that is not the subject of a favorable determination letter would affect the validity of such Benefit Plan's letter; and (ii) no Benefit Plan is subject to Title IV of ERISA.

4.11. Financial Statements.

(a) Attached as Schedule 4.11(a) are true, correct and complete copies of the following financial statements (collectively, the "Financial Statements"): (i) the unaudited balance sheet of Seller (the "Latest Balance Sheet") as of June 30, 2013 (the "Latest Balance Sheet Date"); (ii) the unaudited balance sheet of Seller as of December 31, 2012, (iii) the related unaudited income statements of Seller for the period ended on the Latest Balance Sheet Date and for the year ended December 31, 2012, and (iv) the comparative statement of income together with the related summary of sales and operating expenses for all units of Seller for the period ending on the Latest Balance Sheet Date and for the year ended December 31, 2012. The Financial Statements listed in clauses (i)-(iii) have been prepared in accordance with GAAP in all material respects, except as otherwise noted therein and subject to normal and recurring year-end adjustments and the absence of footnotes. The Financial Statements were derived from the books and records of Seller and fairly present, in all material respects, the financial position and results of operations of Seller and its units as of the respective dates thereof and for the respective periods indicated therein. Seller is not subject, with respect to the Transferred Assets, to any material Liability, which is not shown or reserved for in the June 30, 2013 balance sheet included in the Latest Balance Sheet, other than (x) Liabilities incurred in the ordinary course of business since June 30, 2013, and (y) Liabilities set forth on Schedule 4.11(b).

(b) Except as set forth in Schedule 4.11(b), from the Latest Balance Sheet through the date hereof, there has been no change in the that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect.

4.12. Accounts Receivable. All Accounts Receivable of Seller that are reflected on the Financial Statements or included within the calculation of the Purchase Price represent or will represent valid obligations arising from bona fide transactions entered into in the ordinary course of business. Seller has no reason to believe that any particular Account Receivable will not be collected; provided, however, that Seller is not making a guaranty of collection. There is no contest, claim, or right of set-off under any contract or agreement with any obligor of an Account Receivable relating to the amount or validity of such Account Receivable. Schedule 4.12 sets forth Seller's existing Accounts Receivable as of the date specified on Schedule 4.12, together with an aging report for Accounts Receivable, as of such date.

4.13. Real Property.

(a) Schedule 4.13(a) lists the Owned Real Property, which constitutes all the real property owned by Seller. Seller has valid and marketable simple fee title to the Owned Real Property and the Improvements, free and clear of all Encumbrances, except for Permitted Encumbrances. Except as set forth on Schedule 4.13(a), Seller is not 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.

All Real Property and Improvements (i) are in good condition and repair in accordance with normal and customary industry practices (ordinary wear and tear excepted), and (ii) are available for immediate use in the operations of the Stations.

(b) Schedule 4.13(b) lists the Leased Real Property, which is all the real property leased to Seller and used or held for use in connection with the Stations. Seller has good title to its interests in the Leased Real Property, free and clear of all Encumbrances, except for Permitted Encumbrances. All Improvements located on the Leased Real Property (i) are in reasonable condition and repair in accordance with normal and customary industry practices (ordinary wear and tear excepted), and (ii) are available for immediate use in the operations of the Stations as currently conducted. With respect to each such lease, Seller is in peaceable possession under each such lease.

(c) To Seller's Knowledge, all of the Real Property has access to public roads or streets, and all utilities and services necessary for the proper and lawful conduct in all material respects and operation of the Stations as now conducted by Seller. To Seller's Knowledge, there does not exist any actual or threatened condemnation or eminent domain proceedings, planned public improvements, annexation, special assessments, zoning or subdivision changes, or other adverse claims affecting any of the Real Property, and, as of the date hereof, Seller has not received any written notice of the intention of any Governmental Authority or other Person to take or use all or any part thereof. Except for Business Contracts set forth on Schedule 4.7(a), there are no contracts entered into by Seller, granting to any Person other than Seller, the right to occupy any Owned Real Property or, to Seller's Knowledge, any Leased Real Property.

(d) Except as set forth on Schedule 4.13(d): (i) there is no private restrictive covenant or governmental use restriction (including zoning) on all or any portion of the Real Property that prohibits or materially interferes with the current use by Seller of the Real Property; and (ii) all material permits required for the occupancy and operation of Real Property as presently being used by Seller has been obtained and are in full force and effect in all material respects, and, as of the date hereof, Seller has not received any notices of material default or material violations in connection with such items. To the Knowledge of Seller, no additional approvals, permits or licenses will be required to be issued after the date hereof in order to permit Purchaser, following the Closing, to continue to operate the Stations on the Real Property in the same manner as Seller, other than any such approvals, permits or licenses that are ministerial in nature and are normally issued in due course upon application therefore without further action by the applicant.

4.14. Litigation; Governmental Orders.

(a) Except as set forth in Schedule 4.14, there are no pending or, to the Knowledge of Seller, threatened (in writing) Actions by any Person or Governmental Authority against or relating to Seller with respect to the Stations or to which any of the Transferred Assets are subject.

(b) Seller is not subject to or bound by any Governmental Order, other than those generally applicable to broadcast television stations.

4.15. Compliance with Laws. Except as set forth in Schedule 4.15, Seller is in compliance in all material respects with all Laws or Governmental Orders.

4.16. FCC/FAA Matters; Qualifications.

(a) Schedule 4.16(a) contains a list of the FCC Licenses and a list, as of the date hereof, of the material pending FCC applications held by Seller for use in the operation of the Stations, other than the FCC licenses listed on Schedule 2.1(c)(xiv) as an Excluded Asset. Except as set forth on Schedule 4.16(a), such FCC Licenses are in full force and effect, and, to Seller's Knowledge, such FCC Licenses are not subject to any adverse conditions, except for those conditions appearing on the face of the FCC Licenses and conditions applicable to broadcast television licenses generally.

(b) Except as set forth on Schedule 4.16(b), (i) the Stations are being operated in compliance in all material respects with the Communications Act and the FCC Licenses with respect to the operation of the Stations and (ii) Seller has filed or made all material applications, reports, and other disclosures required by the FCC or the Federal Aviation Administration (the "FAA") to be made in respect of the Stations and have or will have at the Closing timely paid all annual regulatory fees in respect thereof. Except as set forth in Schedule 4.16(b), to the Knowledge of Seller, as of the date hereof, there are no complaints, investigations, proceedings or other Actions pending or threatened in writing before the FCC with respect to the FCC Licenses, other than proceedings affecting the broadcast television industry generally. Except as set forth on Schedule 4.16(b), Seller is legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder, to be the licensee and to own and operate the Stations.

4.17. Labor Matters. Except as set forth on Schedule 4.17, (i) there is not pending or, to the Knowledge of Seller, threatened in writing against Seller, any labor dispute, strike or work stoppage and, to the Knowledge of Seller, there is no organizational effort currently being made or threatened in writing by or on behalf of any labor union with respect to employees of Seller, (ii) Seller is not a signatory or a party to, or otherwise bound by, any collective bargaining agreement which covers employees or former employees of Seller, (iii) Seller has not agreed to recognize any union or other collective bargaining unit with respect to any employees, and (iv) no union or other collective bargaining unit has been certified as representing any employees of Seller. Seller has not experienced any strike, work stoppage or other similar significant labor difficulties within the twelve (12) months preceding the date of this Agreement.

4.18. Environmental Matters. Except as disclosed on Schedule 4.18:

(a) To the Knowledge of Seller, the Real Property is in compliance in all material respects with all Environmental Laws. All of Seller's activities, whether at or upon the Real Property, have been and are being conducted in compliance with all Environmental Laws.

(b) To the Knowledge of Seller, except in compliance in all material respect with Environmental Laws, there is no (and there has not previously been any) (i) handling of any Hazardous Substances at, on, from or around any Real Property or on any properties surrounding or adjacent to any Real Property, (ii) presence of Hazardous Substances on or around any Real Property, (iii) underground tanks, PCMs or asbestos-containing materials located on or around any Real Property, and (iv) asbestos, mold, or other indoor air quality issues on or around any Real Property.

(c) Neither Seller nor any person acting on behalf of Seller has released any other person from any claims Seller might have, or have had, for any matter relating to the presence or handling of Hazardous Substances on any Real Property. No Encumbrances have been, or are, imposed on any of the Transferred Assets under any Environmental Laws.

(d) Seller has obtained any material permits, licenses, registrations and other approvals and has filed all reports and notifications required under any Environmental Laws in connection with the Transferred Assets, and are in compliance in all material respects with all applicable Environmental Laws. Seller has not received any notice of or, to Seller's Knowledge, is not the subject of, any Action by any person alleging liability under or noncompliance with any Environmental Law. Seller has delivered to Purchaser copies of all reports, notices, or other documentation relating to Hazardous Substances on or around the Real Property in Seller's possession.

4.19. Insurance. Seller maintains insurance in respect of the Transferred Assets and the Stations covering such risks, in such amounts, with such terms and with such insurers as Seller has determined is appropriate in light of the Stations and consistent in all material respects with industry practice (such insurance, the "Business Insurance Policies"). Schedule 4.19 sets forth, as of the date hereof, a true and correct list of all Business Insurance Policies, all of which are in full force and effect in all material respects as of the date hereof.

4.20. Taxes. Seller has filed, or caused to be filed, with the appropriate Governmental Authorities, all required Tax returns, and Seller has paid, caused to be paid or accrued all Taxes shown to be due and payable or claimed to be due and payable thereon, except where the failure to file such returns or pay or accrue such Taxes could not reasonably be expected to result in an Encumbrance on the Transferred Assets after the Closing or in the imposition of transferee liability on Purchaser for the payment of such Taxes. There are no proceedings pending pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Purchaser as transferee of the Transferred Assets or as operator of the Stations following the Closing. Seller neither holds a seller's permit issued by the California Board of Equalization nor has or is engaged in the sale of tangible personal property or any other activities (within or without the State of California) for which it would be required to hold a seller's permit.

4.21. Transactions with Affiliates. Except as disclosed on Schedule 4.21, Seller is not currently a party to any contract with any Affiliate of Seller, or directors or officers of any such Affiliates that would be a Transferred Asset.

4.22. Brokers. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of Seller in connection with this Agreement or the Transactions or is entitled to any payment in connection herewith or therewith.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

5.1. Organization. Purchaser is duly organized, validly existing and in good standing under the laws of the State of Missouri.

5.2. Authority. Purchaser has all requisite corporate power and authority to enter into and deliver this Agreement and the Operative Agreements to which it is a party, to perform its obligations hereunder and thereunder, to consummate the Transactions, and to assume and perform the Assumed Liabilities. The execution and delivery by Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by Purchaser of its obligations hereunder and thereunder, the consummation by Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, have been duly authorized by all necessary corporate action on the part of Purchaser. This

Agreement has been, and the Operative Agreements to which Purchaser is a party shall be, duly executed and delivered by Purchaser. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by Seller, this Agreement constitutes, and each of the Operative Agreements to which Purchaser is a party (when so executed and delivered) will constitute, a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

5.3. No Violation; Third Party Consents. Assuming that all consents, waivers, approvals, orders and authorizations described in Section 5.4 have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities described in Section 5.4 have been made, the execution and delivery by Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by Purchaser of its obligations hereunder and thereunder, the consummation by Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, will not conflict with or violate, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any obligation or loss of any benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the assets or properties of Purchaser pursuant to, or require Purchaser to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result or under, the terms or provisions of (i) the organizational documents of Purchaser, (ii) any Contract to which Purchaser is a party or is bound, or (iii) any Law applicable to Purchaser, or any Governmental Order issued by a Governmental Authority by which Purchaser is in any way bound or obligated, except, in the case of clauses (ii) and (iii) of this Section 5.3, as would not have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement and the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.4. Governmental Consents. No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by Purchaser of its obligations hereunder and thereunder, the consummation by Purchaser of the Transactions, the assumption and performance of the Assumed Liabilities, except (i) the FCC Consent and (ii) where the failure to obtain such consent, waiver, approval, order or authorization, or to make such registration, qualification, designation, declaration or filing, would not, individually or in the aggregate, have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement, the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.5. Litigation. There are no pending or, to the knowledge of Purchaser, threatened Actions by any Person or Governmental Authority against or relating to Purchaser (or any Affiliate of Purchaser) or by which Purchaser or its assets or properties are or may be bound which, if adversely determined, would have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement and the Operative Agreements to which it is a party, to assume and perform the Assumed Liabilities or to consummate on a timely basis the Transactions.

5.6. Brokers. No finder, broker, agent, financial advisor or other intermediary has acted on behalf of Purchaser in connection with this Agreement or the Transactions or is entitled to any payment in connection herewith or therewith.

5.7. FCC Qualifications. The Purchaser is, to Purchase's knowledge, legally, technically, financially and otherwise qualified under the Communications Act to perform its obligations hereunder,

and to be the licensee of the FCC Licenses and own and operate the Business. To Purchaser's knowledge, there is no fact or circumstance relating to Purchaser or any of its Affiliates that would reasonably be expected to prevent the FCC from granting the FCC Applications or that would otherwise reasonably be expected disqualify Purchaser as the licensee of the FCC Licenses or as the owner or operator of the Business. Purchaser has no reason to believe that the FCC Applications might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to Purchaser or any of its Affiliates. No waiver of any FCC rule or policy is required for the grant of the FCC Applications.

ARTICLE VI COVENANTS AND AGREEMENTS

6.1. Conduct of Business. At all times during the period commencing upon the execution and delivery hereof by the parties hereto and terminating upon the earlier of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 9.1 hereof, unless Purchaser shall otherwise consent in writing, and except as otherwise required by Law or to enable Seller to comply with its obligations hereunder or as otherwise set forth in Schedule 6.1, Seller shall:

(a) (i) use commercially reasonable efforts to conduct the operations of the Stations in the ordinary course of business, consistent with past practice, except to the extent otherwise provided herein, (ii) use commercially reasonably efforts to preserve and maintain in all material respects the goodwill of the Stations and the current relationships of Seller with employees, customers, suppliers and others with significant and recurring business dealings with the Stations, (iii) use commercially reasonable efforts to maintain all Business Licenses (including FCC Licenses) that are material to the conduct of the business of the Stations as currently conducted by Seller, including filing with the FCC applications to renew any FCC Licenses that have expired or that may expire prior to the Closing Date, (iv) maintain the books of account and records of the Stations in the usual, regular and ordinary manner, consistent with past practices, (v) use commercially reasonable efforts to maintain the Equipment in reasonable operating condition (given the age of such property and the use to which such property is put and ordinary wear and tear excepted) in accordance with industry practice, (vi) utilize the Program Rights of the Stations in the ordinary course of business, and not sell or otherwise dispose of any such Program Rights, and (vii) advise Purchaser in writing within two business days after Seller obtains Knowledge of any complaint, investigation, proceeding or other Action pending or threatened in writing before the FCC with respect to the FCC Licenses.

(b) Without limiting the foregoing, at all times during the period commencing upon the execution and delivery of this Agreement by the parties hereto and terminating upon the earlier of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 9.1 unless Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned), except as set forth on Schedule 6.1, Seller shall use commercially reasonable efforts not to take, or cause to be taken, any of the following actions to the extent such actions relate to the Stations:

(i) enter into, materially amend, materially modify or terminate (other than at the expiration of their respective terms or due to a default of the other party thereunder) any (A) Business Contract relating to Program Rights, or (B) other Business Contract, other than Business Contracts not involving Liabilities exceeding \$10,000 individually in any twelve-month period or \$50,000 in the aggregate in any twelve-month period for all such Business Contracts or enter into, materially amend, materially modify or terminate (other than, with respect to termination alone, at the expiration of their respective terms

or due to a default of the other party thereunder) any Multi-Station Contract to the extent it relates to the Stations;

(ii) make any change in any method of accounting or accounting practice utilized in the preparation of the Financial Statements, except for any such change required by reason of a concurrent change in GAAP;

(iii) increase any wage, salary, bonus or other direct or indirect compensation payable or to become payable to any of the Business Employees, or make any accrual for or commitment or agreement to make or pay the same, other than increases in wages, salary, bonuses or other direct or indirect compensation made in the ordinary course of business, consistent with past practice provided, however, that such increases shall not exceed 5% individually or in the aggregate, or those required by any existing Business Contract or Law; provided however, Seller may offer retention bonuses to any of the Business Employees, at the sole expense of Seller;

(iv) make any payment or commitment to pay any severance or termination pay to any Business Employee or any independent contractor, consultant, agent or other representative of Seller, other than payments or commitments to pay such Business Employees, independent contractors, consultants, agents or other representatives of Seller in accordance with the terms of any agreements with such individual, or those required by any existing Business Contract or Law; provided, however, that Seller may make any such payment or commitment to make any such payment at the sole expense of Seller;

(v) (A) sell or make any other disposition of any of the Transferred Assets except (x) obsolete assets that are not in use in the operation of the Stations; (y) pursuant to existing Business Contracts; or (z) in the ordinary course of business, consistent with past practice; and (B) grant or incur an Encumbrance on any of the Transferred Assets, other than Permitted Encumbrances;

(vi) except in the ordinary course of business, consistent with past practice, incur or assume any debt, obligation or Liability;

(vii) except in the ordinary course of business, consistent with past practice, materially amend, materially modify or terminate any Material Business License; or

(viii) enter into any binding agreement to do any of the foregoing.

6.2. Access and Information. Seller shall permit Purchaser and its authorized agents and representatives to have reasonable access, upon reasonable notice and during normal business hours, to the Transferred Assets and all of its relevant books, records and documents of or relating to the Stations and the Transferred Assets, and shall furnish to Purchaser such information and data, financial records and other documents in its possession relating to the Stations and the Transferred Assets as Purchaser may reasonably request; provided that such access shall not unduly interrupt the normal operations of the Stations and shall comply with all applicable Business Contracts and Permitted Encumbrances and provided also that Purchaser shall not have access to records and documents related to advertising sales for KCOY-TV. Without limiting the generality of the foregoing, within thirty (30) days after the execution of this Agreement Purchaser may, at Purchaser's sole cost and risk, engage Ninyo & Moore to conduct a Phase I investigation of: (i) Sellers' compliance with Environmental Laws; and (ii) the presence of Hazardous Substances at the Owned Real Property, and Seller shall cooperate with Purchaser in connection with such investigation.

6.3. Further Actions.

(a) Upon the terms and subject to the conditions set forth in this Agreement, Seller and Purchaser shall each use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable under applicable Laws to consummate the Transactions, including, without limitation (but subject to Section 3.5): (i) obtaining all necessary Licenses, actions or non-actions, waivers, consents or approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the Transactions, and (ii) obtaining all necessary consents, approvals or waivers from third parties.

(b) Also in furtherance and not in limitation of Section 6.3(a), Purchaser and Seller each shall prepare and file with the FCC as soon as practicable, but in no event later than five Business Days after the execution of this Agreement, the requisite applications (the “FCC Applications”) and other necessary instruments or documents requesting the FCC Consent and thereafter prosecute such applications with all reasonable diligence to obtain the FCC Consent as soon as practicable; provided, however, except as provided in the following sentence, neither Purchaser nor Seller shall be required to pay consideration to any third party to obtain the FCC Consent. The parties shall each pay one-half of the FCC filing fees relating to the Transactions, irrespective of whether the transactions contemplated by this Agreement are consummated. The Purchaser and Seller each shall oppose any petitions to deny or other objections filed with respect to the FCC Applications to the extent such petition or objection relates to such party. Neither Purchaser nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the receipt of the FCC Consent. If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 9.1, Purchaser and Seller shall jointly request that the FCC extend the effective period of the FCC Consent. No extension of the FCC Consent shall limit the right of either party to exercise its rights under Section 9.1.

(c) In connection with the efforts referenced in this Section 6.3 to obtain the FCC Consent, Purchaser and Seller shall each use its respective commercially reasonable efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) keep the other party informed in all material respects of any material communication received by such party from, or given by such party to, the FCC or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, (iii) permit the other party the opportunity to review in advance any submissions to any Governmental Authority or material agreement that relates to the consummation of the transactions contemplated by this Agreement and (iv) permit the other party to attend any meetings with any Governmental Authority or participate in any communications with any Governmental Authority.

6.4. Publicity. Seller and Purchaser shall cooperate with each other in the development and distribution of all news releases and other public disclosures relating to the transactions contemplated by this Agreement. Neither Seller nor Purchaser shall issue or make, or allow to have issued or made, any press release or public announcement concerning the transactions contemplated by this Agreement without the consent of the other party hereto, except as otherwise required by applicable Law or the rules of any applicable stock exchange, but in any event only after giving the other parties hereto a reasonable

opportunity to comment on such release or announcement in advance, consistent with such applicable legal requirements.

6.5. Transaction Costs. Purchaser shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions and the cost of a phase I environmental audit contemplated by Section 6.2. Seller shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions and the cost of the title insurance contemplated by Section 7.1(i). Each party shall pay one-half of all transfer Taxes (including sales, use and real property transfer Taxes) and the fees and costs of recording or filing all applicable conveying instruments associated with the transfer of the Transferred Assets from Seller to Purchaser pursuant to this Agreement. Seller and Purchaser shall cooperate in the preparation, execution and filing of all Tax Returns regarding any transfer Taxes which become payable as a result of the transfer of the Transferred Assets from Seller to Purchaser pursuant to this Agreement and/or shall cooperate to seek an available exemption from such Taxes.

6.6. Employees.

[Begin Confidential Information]

(a)

[End Confidential Information]

(b) Except as otherwise provided in the Prorations, Seller shall (i) retain liability for all obligations and liabilities to the Business Employees arising prior to the Closing; and (ii) be responsible for and shall cause to be discharged and satisfied in full all amounts owed to the Transferred Employees, including, without limitation, wages, salaries, bonuses, severance pay, sick pay, accrued vacation, any liabilities accrued or incurred under any of the Employee Plans, or any other benefits or payments relating to the period of employment by Seller.

(c) This Section 6.6 will operate exclusively for the benefit of the parties to this Agreement and no provision of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Seller with respect to continued employment (or resumed employment) with Purchaser or Seller or in respect of any other matter.

6.7. Control Prior to Closing. The parties acknowledge and agree that, for the purposes of the Communications Act and any other applicable Law, this Agreement and, without limitation, the covenants in this ARTICLE VI, are not intended to, and shall not be construed to, transfer control of the Stations or to give Purchaser any right to, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the programming, operations or any other matter relating to the Stations prior

to the Closing Date, and Seller shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Stations until the Closing Date.

6.8. Risk of Loss.

(a) If, prior to the Closing, any of the Transferred Assets shall be damaged or destroyed by fire or other casualty, Seller shall take all reasonable steps to repair, replace and restore the Transferred Assets to reasonable operating condition as soon as possible after any loss or damage, it being understood and agreed that all insurance proceeds with respect thereto (“Proceeds”) will be applied to or reserved for such replacement, restoration or repair, but that Seller will have no obligation to repair, replace or restore in excess of the Proceeds (plus any applicable deductible payment), and that Purchaser’s sole remedies if Seller elects not to fully repair, replace or restore will be (i) to terminate this Agreement, or (ii) to close in accordance with Section 6.8(c).

(b) In the event that, prior to Closing, any damage or loss causes material impairment to and prevents broadcast transmissions of the Stations in the normal and usual manner and substantially in accordance with the FCC Licenses (not to include ordinary course scheduled maintenance), Seller will give prompt notice thereof to Purchaser and Purchaser, in addition to its other rights and remedies, will have the right to postpone the Closing Date until five (5) Business Days after transmission in accordance with the FCC Licenses has been resumed, subject to the Upset Date. During the period of postponement, Seller shall use its commercially reasonable efforts to resume normal broadcast transmissions. In the event transmission in accordance with the FCC Licenses cannot be resumed within the effective period of the FCC’s consent to assignment of the FCC Licenses to Purchaser, the parties will join in an application or applications requesting the FCC to extend the effective period of its consent for one or more periods not to exceed 120 days in the aggregate, subject to the Upset Date. If transmission in accordance with the FCC Licenses has not been resumed so that the Closing Date does not occur by the Upset Date, Purchaser will have the right, by giving written notice to Seller within five Business Days after the expiration of such 120-day period, or any such extension thereof, to terminate this Agreement forthwith without any further obligation.

(c) If any loss of or damage to the Transferred Assets occurs prior to the Closing Date, and repair, replacement or restoration of such Transferred Assets to not less than reasonable operating condition has not been made on or before the Closing Date (as the Closing Date may be extended as provided in Section 6.8(b)), or the cost thereof is greater than the Proceeds (plus any applicable deductible), then Purchaser will be entitled, but not obligated, to accept the Transferred Assets in their then-current conditions and will receive an abatement or reduction in the Purchase Price in an amount equal to the difference between the amount necessary to fully repair or replace the damaged Transferred Assets to a reasonable operating condition and the amount of any unused Proceeds and payment of any related deductible amount. If Purchaser elects to accept damaged Transferred Assets at a reduced Purchase Price, the parties agree to cooperate in determining the amount of the reduction to the Purchase Price in accordance with the provisions hereof; provided, further, that in such case, Purchaser shall be deemed to have waived any breach of the representations, warranties or covenants set forth in this Agreement with respect to such loss or damage and Purchaser and Indemnified Party claiming through Purchaser will have no rights to indemnification under ARTICLE VIII of this Agreement with respect thereto.

6.9. Post-Closing Matters.

(a) Transition Matters. For a reasonable period following the Closing Date, but for no more than six months after Closing, Seller shall provide, at no additional cost to Purchaser, Purchaser's employees and agents access and use of the Ross Production System until Purchaser's consolidation of its operations following Closing. During the time that Purchaser has access to and use of the Ross Production System, Purchaser shall maintain the Ross Production System in good working order, including by keeping active the maintenance agreements for the switcher and "Overdrive" and by repairing or replacing any element necessary so that the Ross Production System is in the same condition at the end of Purchaser's use as it is on the Closing Date, normal wear and tear excepted.

(b) Consulting Services. Seller shall continue to employ Paul Dughi for a period of at least six months following the Closing Date. Seller shall cause Mr. Dughi to be available to perform consulting services for Purchaser for a period of up to six months following the Closing. In exchange for such access to Mr. Dughi's consulting services, Purchaser agrees to pay to Seller an amount equal to \$13,750 per month for such six-month period for a total of \$82,500.

(c) Cooperation. In the event the Closing Date is before November 30, 2013, Purchaser shall, without cost to Seller, use commercially reasonable efforts to cooperate with Seller through the conclusion of the current Seal Rock Agreements, including, but not limited to the billing and collection efforts set forth in Section 2.4(c) of this Agreement. In any event, Purchaser shall not terminate Seller's access to the KCBA-TV WideOrbit revenue system until Seller has closed its books on KCBA.

6.10. Update. Seller shall deliver to Purchaser at least three (3) days before the Closing Date, a revised form of Schedule 4.7(a) as is necessary to reflect Business Contracts that have expired, been terminated, been amended, or been entered into in accordance with the terms of this Agreement since the date hereof, together with copies of any such amended or new Business Contracts.

6.11. Like-Kind Exchange. It is the desire and intent of Purchaser to acquire the Transferred Assets as "replacement property" in connection with a tax-free exchange under Section 1031 of the Internal Revenue Code (a "Like Kind Exchange") undertaken or to be undertaken by the Purchaser (the "Exchange"). The Transferred Assets shall be conveyed to Purchaser in conformity with the provisions of this Agreement and, if the Exchange as contemplated herein can be effected, any applicable deferred exchange agreement (in which case all or part of the Purchase Price shall be paid at Closing by the qualified intermediary pursuant to said deferred exchange agreement). Seller shall cooperate fully with Purchaser to implement an Exchange and, if reasonably requested by Purchaser, take such steps and execute such documents as Purchaser may reasonably request to implement such Exchange; provided, however, that (a) neither Seller nor any of its Affiliates shall be obligated to pay or incur any additional amounts, costs, expenses, or Liabilities in connection with the Exchange that Seller or such Affiliate would not otherwise have been obligated to pay or incur, (b) neither Seller nor any of its Affiliates shall have any obligation regarding the qualification of the Transactions as a Like Kind Exchange, in whole or in part, (c) neither Seller nor any of its Affiliates shall have any obligation to take or agree to take any action in connection with the Exchange that, in Seller's sole discretion, may create any adverse consequences to Seller or any of its Affiliates, including adverse tax, financial, operational or regulatory consequences, (d) Purchaser will be solely responsible for preparing any documentation in connection with the Exchange, (e) all representations, warranties, covenants, duties and obligations of the parties hereto to each other under this Agreement shall remain in full force and effect, and shall not be affected by the Exchange, and (f) the Exchange will not be effected if, in Seller's sole discretion, it may cause any unreasonable delay in the consummation of the Transactions. Purchaser acknowledges that neither Seller nor any of its Affiliates has made any representation or warranty regarding the qualification of the Transactions as a Like Kind Exchange, in whole or in part, or the fair market value of any Transferred

Asset for such purposes. Purchaser shall not terminate this Agreement or cause any delay in the consummation of the Transactions as a result of the Transactions failing to qualify as a Like Kind Exchange in whole or in part.

ARTICLE VII CLOSING CONDITIONS

7.1. Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by Purchaser in writing:

- (a) All representations and warranties of Seller contained in this Agreement (disregarding any qualifications regarding materiality or Material Adverse Effect) shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such date only), except for changes which are permitted or contemplated pursuant to this Agreement or specifically consented to by Purchaser in writing.
- (b) Seller shall have performed and complied in all material respects with all the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.
- (c) There shall be in effect no Law or injunction issued by a court of competent jurisdiction making illegal or otherwise prohibiting or restraining the consummation of the Transaction.
- (d) The FCC Consent shall have been granted, shall be in full force and effect, without any conditions materially adverse to Purchaser, and on terms that are not materially more onerous to Purchaser than are the terms to Seller under the existing FCC Licenses, in each case, other than those of general applicability to all licensees of broadcast television stations, and such grant shall have become Final, except that the requirement that such grant shall have become Final may be waived by Purchaser. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.
- (e) Seller shall have delivered to Purchaser all of the certificates, instruments and other documents required to be delivered by it at or prior to the Closing pursuant to Section 3.2.
- (f) Purchaser shall have received certificates from the lessors of the Leased Real Property designated with a # on Schedule 4.13(b) stating that, as of the date of such certificate, (a) the lease is in full force and effect, and (b) Seller is not in material default under the lease.
- (g) All Encumbrances other than Permitted Encumbrances shall be released of record and there shall be no liens in respect of the Transferred Assets, except for Permitted

Encumbrances and those that will arise as a direct result of Purchaser's actions in the consummation of the Closing.

(h) The Required Consents shall have been obtained. "Required Consent" shall mean the consents, authorizations, approvals, waivers, or notices relating to the Business Contracts or Real Property Leases set forth on Schedule 7.1(h).

(i) Purchaser shall have received irrevocable binding commitments for fully-paid policies of title insurance on the Owned Real Property, insuring in Purchaser marketable fee simple title to the Owned Real Property in an amount that is not less than the market value, subject only to the Permitted Encumbrances and such other Encumbrances as Purchaser may approve in its sole discretion.

7.2. Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by Seller in writing:

(a) All representations and warranties of Purchaser contained in this Agreement (disregarding any qualifications regarding materiality) shall be true and correct in all material respects as of the date of this Agreement and at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct in all material respects as of such date only).

(b) Purchaser shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There shall be in effect no Law or injunction issued by a court of competent jurisdiction making illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement.

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

(e) Purchaser shall have delivered to Seller the Purchase Price and all of the certificates, instruments and other documents required to be delivered by Purchaser at or prior to the Closing pursuant to Section 3.3.

ARTICLE VIII INDEMNIFICATION

8.1. Survival. The representations, warranties, covenants and agreements (other than covenants to be performed in whole or in part after the Closing, each of which shall survive the Closing until 30 days after it has been performed) made by any party and contained in or made pursuant to this Agreement shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive, until one (1) year following the Closing Date, whereupon all such representations, warranties, covenants and agreements shall expire and terminate and shall be of no further force or effect; provided, however, that the representations and warranties in Section 4.1 (Organization), Section 4.2 (Seller's Authority), Section 4.5 (Equipment) solely with respect to title, Section 4.10 (Employee Benefit Plans), Section 4.18 (Environmental), Section 4.20 (Taxes) and Section 5.2 (Purchaser Authority) (collectively, the "Core Representations") shall survive the

Closing until ninety (90) days after the expiration of the applicable statute of limitations with respect to the particular matter that is the subject thereof. In the event that written notice is properly given under this ARTICLE VIII with respect to any alleged breach of a representation and warranty to which such party is entitled to be indemnified hereunder prior to the applicable expiration date, such representation and warranty shall continue to survive (with respect to the subject matter of such written notice only) until the applicable claim is finally resolved.

8.2. Indemnification by Purchaser. After the Closing, Purchaser agrees to indemnify Seller, its Affiliates and their respective officers, directors, employees and representatives (each, a “Seller Indemnified Party”) against and hold them harmless from and reimburse them for all losses, damages, Liabilities and expenses, including reasonable attorneys’ fees (collectively, “Damages”) which such Seller Indemnified Party may at any time sustain or incur as a result of or arising out of:

- (a) the breach of any representation or warranty of Purchaser herein or in any Operative Agreement;
- (b) the breach of any covenant or agreement of Purchaser contained herein or in any Operative Agreement; and
- (c) the Assumed Liabilities.

8.3. Indemnification by Seller. After the Closing, Seller agrees to indemnify Purchaser, its Affiliates and their respective officers, directors, employees and representatives (each, a “Purchaser Indemnified Party”) against and hold them harmless from and reimburse them for all Damages which such Purchaser Indemnified Party may at any time sustain or incur as a result of or arising out of:

- (a) The breach of any representation or warranty of Seller herein or in any Operative Agreement;
- (b) the breach of any covenant or agreement of Seller contained herein or in any Operative Agreement; and
- (c) the Excluded Liabilities.

8.4. Notification of Claims.

(a) A party entitled to be indemnified pursuant to Section 8.2 or 8.3 (the “Indemnified Party”) shall promptly notify the party or parties liable for such indemnification (the “Indemnifying Party”) in writing of any claim or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement (a “Notice of Claim”); provided, however, that a delay or failure to provide such notice shall not relieve any Indemnifying Party of its obligations, except to the extent that it has been prejudiced by such delay or failure. Any Notice of Claim shall (i) state with reasonable specificity the basis on which indemnification is being asserted, (ii) set forth the Indemnified Party’s good faith estimate of the amount of Damages for which indemnification is being asserted, and (iii) in the case of third party claims (a “Third Party Claim”), shall be accompanied by copies of all relevant pleadings, demands and other papers served on the Indemnified Party.

(b) If the Indemnified Party notifies the Indemnifying Party of any Third Party Claim, the Indemnifying Party shall have the right (i) to employ counsel of its choice that is reasonably acceptable to the Indemnified Party to defend any such claim or demand asserted

against the Indemnified Party, and (ii) to control and conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend, in each case, in good faith, the Indemnified Party, provided that the parties believe in good faith (based on facts known at the time) that it is reasonably likely that all or a majority of the Damages sought in the Third Party Claim are within the scope of and subject to indemnification hereunder. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible after its receipt of the Notice of Claim (but in any case within 30 days of receipt by the Indemnifying Party of a Notice of Claim (the "Indemnity Notice Period")) of its election to defend any such Third Party Claim. Notwithstanding the foregoing, the Indemnifying Party may not assume or control the defense if the named parties to the action giving rise to the Notice of Claim (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate (based on a written opinion of outside counsel) due to actual or potential differing interests between them, in which case the Indemnified Party shall have the right to defend the action and to employ counsel reasonably approved by the Indemnifying Party, and, to the extent the matter is determined to be subject to indemnification hereunder, the Indemnifying Party shall reimburse the Indemnified Party for all reasonable costs associated with such defense. In the event that the Indemnifying Party does assume the defense as provided above, the Indemnified Party shall have the right to participate in such defense (including without limitation, with counsel of its choice), at its own expense, and the Indemnifying Party shall reasonably cooperate with the Indemnified Party in connection with such participation. If the Indemnifying Party does not deliver to the Indemnified Party written notice within the Indemnity Notice Period that the Indemnifying Party will assume the defense of any such claim or litigation resulting therefrom, the Indemnified Party may defend against any such claim or litigation in such manner as it may deem appropriate, at the cost of the Indemnifying Party.

(c) In the event the Indemnifying Party (i) does not elect to assume control or otherwise participate in the investigation and/or the defense of, or opposition to, any Third Party Claim or (ii) is not entitled to assume control of the investigation and/or the defense of, or opposition to, any such Third Party Claim, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such claim; provided, however, the Indemnified Party shall not have the right to consent or otherwise agree to any monetary or non-monetary settlement or relief, including injunctive relief or other equitable remedies, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, delayed or conditioned. In the event that the Indemnifying Party assumes control of the investigation of, defense of, or opposition to, any Third Party Claim, the Indemnifying Party shall have the right in good faith to settle or compromise any such claim, provided that (i) at least ten (10) business days prior notice of such settlement or compromise is given to the Indemnified Party and (ii) such settlement or compromise must not require the Indemnified Party to take or refrain from taking any action (provided that Indemnified Party shall not unreasonably withhold its consent to the terms of a mutual release with respect to such claim with the third party making such claim), contain any admission by or on behalf of the Indemnified Party, or otherwise fail to hold Claimant fully harmless with respect to such claim. Notwithstanding the foregoing, in connection with any such settlement or compromise negotiated by the Indemnifying Party, no Indemnified Party shall be required by an Indemnifying Party to (i) enter into any settlement that does not include as an unconditional term thereof the delivery by the Indemnified Party or plaintiff to the Indemnified Party of a release from all liability in respect of such claim or litigation, or (ii) enter into any settlement that attributes by its terms any non-indemnified liability to the Indemnified Party.

(d) If a claim, whether a direct claim or a Third Party Claim, requires immediate action, the parties hereto will work in good faith to reach a decision with respect thereto as expeditiously as possible.

8.5. Limitations. Notwithstanding anything herein to the contrary, no Indemnifying Party shall have any obligation to indemnify any Indemnified Parties pursuant to Sections 8.2(a) or 8.3(a), as the case may be, unless the aggregate amount of Damages sustained or incurred with respect to all claims pursuant to Section 8.2(a) or Section 8.3(a), as the case may be, exceeds One Hundred Twenty-Five Thousand Dollars (\$125,000) (the “Deductible”); provided, however, that if the aggregate amount of such Damages exceeds the Deductible, the Indemnifying Party shall be liable for all Damages (and not just the amount in excess of the Deductible). Notwithstanding anything to the contrary contained in this Agreement, the aggregate maximum indemnifiable liability of any Indemnifying Party pursuant to Sections 8.2(a) or 8.3(a), as the case may be, shall be limited to Five Million Dollars (\$5,000,000) (the “Cap”); provided, however, that neither the Cap nor the Deductible shall apply to breaches of the Core Representations, breaches of the representations and warranties in Section 4.12 (Accounts Receivable) or fraud.

8.6. Treatment of Indemnity Benefits. All payments made by Seller or Purchaser, 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.

8.7. Exclusive Remedy. Absent fraud, the parties hereto hereby acknowledge and agree that the sole and exclusive remedy of Purchaser Indemnified Parties and Seller Indemnified Parties, as the case may be, from and after the Closing with respect to Damages and any and all claims for any breach or liability under this Agreement shall be solely in accordance with, and limited by, the indemnification provisions set forth in this ARTICLE VIII.

8.8. Expense of Litigation. Notwithstanding any provision in this Agreement that may limit or qualify a party’s remedies, in the event of a breach or default by any party that results in a lawsuit or other proceeding for any remedy available under this Agreement (whether prior to Closing or thereafter), the prevailing party shall be entitled to reimbursement from the breaching or defaulting party of such prevailing party’s reasonable legal fees and expenses related thereto.

ARTICLE IX TERMINATION

9.1. Termination.

(a) This Agreement may be terminated prior to Closing by either Purchaser, on the one hand, or Seller, on the other hand, upon written notice to the other following the occurrence of any of the following:

- (i) by either Purchaser, on the one hand, or Seller, on the other hand, if the other party is in breach or default of this Agreement or does not perform in all material respects the obligations to be performed by it under this Agreement on or prior to the Closing Date and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 7.1(a) or Section 7.1(b) or Section 7.2(a) or Section 7.2(b), as applicable, if such breach or failure to perform had occurred at the time scheduled for

Closing and (B) such breach has not been substantially cured as set forth in Section 9.1(d);

(ii) by either party if there shall be any Law that prohibits consummation of the Transactions or if a Governmental Authority of competent jurisdiction shall have issued a final, non-appealable Governmental Order enjoining or otherwise prohibiting consummation of the Transactions;

(iii) by either party if the Closing has not occurred on or prior to the date that is twelve (12) months from the date of this Agreement (the “Upset Date”);

(b) This Agreement may be terminated prior to Closing by mutual written consent of Purchaser and Seller.

(c) If applicable, this Agreement may be terminated prior to Closing by Purchaser pursuant to Section 6.8.

(d) If either party asserts that the other is in breach or default of this Agreement, the non-defaulting party shall, prior to exercising its right to terminate under Section 9.1(a)(i), provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price or otherwise perform any obligations to be performed at the time scheduled for Closing (to which the cure period described hereinafter shall not apply), the defaulting party shall have 5 days from receipt of such notice to cure such default; provided, however, that if the breach or default is incapable of cure within such 5-day period, the cure period shall be extended as long as the defaulting party is diligently and in good faith attempting to effectuate a cure and there is a reasonable likelihood that a cure will be achieved. Nothing in this Section 9.1(d) shall be interpreted to extend the Upset Date.

(e) If this Agreement is terminated by Seller pursuant to Section 9.1(a)(i) of this Agreement due to the Purchaser’s default or breach of this Agreement and Seller is not in breach of this Agreement in a manner that would give rise to the failure of a condition to Closing (the “Purchaser Termination Event”), then Seller shall be entitled to the Escrow Deposit and all interest and earnings thereon as liquidated damages. The parties understand and agree that the amount of the Escrow Deposit and all interest and earnings thereon represents Seller’s and Purchaser’s reasonable estimate of actual damages and does not constitute a penalty. Notwithstanding any other provision of this Agreement to the contrary, in the event that this Agreement is terminated as a result of the Purchaser Termination Event, the payment of the Escrow Deposit and all interest and earnings thereon pursuant to this Section 9.1(e), shall be Seller’s sole and exclusive remedy for damages of any nature or kind that Seller may suffer under this Agreement, and Seller shall have no further remedy against Purchaser for any claim or Damages arising out of, relating to or in connection with this Agreement or the Transactions, except in the case of fraud.

(f) Upon termination, (i) if this Agreement is terminated for any reason other than the Purchaser Termination Event, the Escrow Deposit and any interest or earnings thereon shall be returned to Purchaser by the Deposit Escrow Agent; (ii) if neither Seller nor Purchaser is in material breach of any provision of this Agreement, neither shall have any further liability to each other; (iii) if Seller shall be in material breach of any provision of this Agreement, Purchaser shall have the rights and remedies provided in Section 9.3, or otherwise available at law or equity; or (iv) if Purchaser shall be in material breach of any provision of this Agreement, Seller shall have all rights and remedies available at all or equity.

(g) Each party agrees to take such action as is necessary or desirable to effectuate the payment of the Escrow Deposit and all interest or earnings thereon as set forth in this Section 9.1, including promptly providing to the Deposit Escrow Agent written instructions and Joint Instructions related to the payment thereof in the manner set forth in the Deposit Escrow Agreement.

9.2. Effect of Termination. In the event of a valid termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates, directors, officers or employees) shall have any liability or further obligation, except as provided in this ARTICLE IX; provided, however, that nothing in this Section 9.2 shall relieve any party from liability for any breach of this Agreement prior to termination. Notwithstanding anything to the contrary herein, in no event shall either party be permitted to terminate this Agreement after the Closing.

9.3. Specific Performance. In the event of failure or threatened failure by Seller to comply with the terms of this Agreement, Purchaser shall be entitled to an injunction restraining such failure or threatened failure and to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. In the event of failure or threatened failure by Purchasers to comply with the terms of this Agreement, Seller shall be entitled to an injunction restraining such failure or threatened failure to, and enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. In the event of a default by either Purchaser or Seller that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

ARTICLE X MISCELLANEOUS

10.1. Notices. All notices, requests, demands, claims and other communications that are required or may be given pursuant to this Agreement must be in writing and delivered personally against written receipt, by a nationally recognized overnight delivery service, by telecopy or by registered or certified mail, return receipt requested, postage prepaid, to the parties at the following addresses (or to the attention of such other Person or such other address as any party may provide to the other parties by notice in accordance with this Section 10.1):

if to Purchaser, to:

NPG of California, LLC
825 Edmond Street
St. Joseph, Missouri 64501
Attention: David R. Bradley
Telephone: 816-271-8500
Telecopier: 816-271-8695

with copies to:

Spencer Fane Britt & Browne LLP
1000 Walnut Street, Suite 1400
Kansas City, Missouri 64106
Attention: Michael L. McCann, Esq.
Telephone: 816-474-8100
Telecopier: 816-474-3216

if to Seller, to:

Cowles California Media Company
999 W. Riverside Ave.
Spokane, Washington 99201
Attention: Steven R. Rector
Telephone: 509-459-5221
Telecopier: 509-459-5258

with copies to:

Skadden, Arps, Slate Meahger & Flom LLP
1440 New York Avenue, NW
Washington, DC 20005
Attention: David H. Pawlik
Telephone: 202-371-7044
Telecopier: 202-661-9022

Any such notice or other communication will be deemed to have been given (i) if personally delivered, when so delivered, against written receipt, (ii) if sent by a nationally recognized overnight delivery service when so delivered against written receipt, (iii) if given by telecopier, once such notice or other communication is transmitted to the facsimile number specified above and the appropriate answer back or telephonic confirmation is received, or (iv) if mailed by registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth above, when so delivered against written receipt. Any notice, request, demand, claim or other communication given hereunder using any other means (including ordinary mail or electronic mail) shall not be deemed to have been duly given unless and until such notice, request, demand, claim or other communication is actually received by the individual for whom it is intended.

10.2. Assignment. Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. No party hereto may assign any of its rights or delegate any of its duties hereunder without the prior written consent of the other parties, and any such attempted assignment or delegation without such consent shall be void; provided, however, that Purchaser may assign its rights and delegate its duties to an Affiliate of Purchaser; provided further, however, that Purchaser may assign its rights and delegate its duties to a qualified intermediary in connection with Purchaser's tax-free Exchange in accordance with Section 6.11.

10.3. Amendments and Waiver; Exclusive Remedies. The terms of this Agreement may be changed only by a written instrument executed by the parties. The failure of any party at any time or times to require compliance with any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

10.4. Entire Agreement. This Agreement and the related documents contained as Exhibits and Schedules hereto or expressly contemplated hereby (including the Operative Agreements) and the Confidentiality Agreement between Seller and News-Press & Gazette Company contain the entire understanding of the parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. The Exhibits and Schedules to this Agreement are hereby incorporated by reference into and made a part of this Agreement for all purposes.

10.5. No Third Party Beneficiary. This Agreement is made for the sole benefit of the parties hereto, and their respective successors, executors and permitted assigns, and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of

this Agreement (except to the extent that certain third parties are expressly covered by the indemnity herein).

10.6. Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the substantive Laws of the State of California without giving effect to any conflicts of Law, rule or principle that might require the application of the Laws of another jurisdiction.

10.7. Severability. It is the desire and intent of the Parties that the provisions of this Agreement be enforced to the fullest extent permissible under the Laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced in any manner materially adverse to any party and that such provision cannot be narrowly drawn, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

10.8. Heading; Interpretation; Schedules and Exhibits. In this Agreement (a) the words “hereof,” “herein,” “hereto,” “hereunder,” and words of similar import may refer to this Agreement as a whole and not merely to a specific section, paragraph, or clause in which the respective word appears, (b) words used herein, regardless of the gender specifically used, shall be deemed and construed to include any other gender, masculine, feminine or neuter, as the context requires, (c) any terms defined in this Agreement may, unless the context otherwise requires, be used in the singular or the plural depending on the reference, (d) unless otherwise stated, references to any Section, Article, Schedule or Exhibit are to such Section or Article of, or Schedule or Exhibit to, this Agreement, (e) the words “include,” “includes,” and “including” are deemed in each case to be followed by the words “without limitation”, (f) the word “shall” denotes a directive and obligation, and not an option, and (g) the term “Stations” shall mean any or all of the Stations. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

10.9. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or by means of portable document format (pdf) transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

NPG OF CALIFORNIA, LLC

By: DRB
Name: David R. Bradley
Title: President

COWLES CALIFORNIA MEDIA COMPANY

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

NPG OF CALIFORNIA, LLC

By: _____
Name: _____
Title: _____

COWLES CALIFORNIA MEDIA COMPANY

By: SA722
Name: STEVEN R. PECTOR
Title: CFO - TREASURER