

**ASSET PURCHASE AGREEMENT**

**DATED AS OF FEBRUARY 28, 2019**

**BY AND AMONG**

**GRAY TELEVISION GROUP, INC.**

**AND**

**GRAY TELEVISION LICENSEE, LLC, COLLECTIVELY AS THE SELLER,**

**AND**

**CHARLOTTESVILLE TV LLC, AS THE PURCHASER**

**AND**

**FOR PURPOSES OF SECTION 10.16 ONLY,**

**LOCKWOOD BROADCASTING, INC.**

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”) is dated as of February 28, 2019, by and among (i) Gray Television Group, Inc., a Delaware corporation (“GTGI”) and Gray Television Licensee, LLC, a Delaware limited liability company (“GTL” and together with GTGI, the “Seller”), (ii) Charlottesville TV LLC, a Virginia limited liability company (the “Purchaser”), and (iii) for purposes of Section 10.16 only, Lockwood Broadcasting, Inc., a Virginia corporation (“Lockwood”).

**WHEREAS**, Seller owns and operates television broadcast stations WCAV(DT), Charlottesville, Virginia (FCC Facility ID No. 363) and WVAW-LD, Charlottesville, Virginia (FCC Facility ID No. 4687) (collectively, the “Stations”) pursuant to certain authorizations issued by the United States Federal Communications Commission (the “FCC”) to Seller;

**WHEREAS**, the Purchaser desires to purchase from the Seller, and the Seller desires to sell to the Purchaser, all assets owned, used or held for use by the Seller in the operation of the Stations, excluding the Excluded Assets (as defined herein), and the Purchaser has agreed to assume certain liabilities of the 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”);

**WHEREAS**, the prior consent of the FCC is required to permit the consummation of the Transactions; and

**WHEREAS**, the Seller and the Purchaser 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 foregoing premises, the mutual covenants, promises and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereto hereby 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 the Seller for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions related to the Stations attributable to the period prior to the Effective Time.

(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 New York, New York are open for business.

(e) “Business Intellectual Property” means Intellectual Property that is used or held for use by the Seller for the operation of the Stations 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) “Confidentiality Agreement” means the Mutual Non-Disclosure Agreement between GTGI and Lockwood Broadcast Company, dated January 29, 2019.

(h) “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, consent decree, stipulation, binding commitment or other agreement.

(i) “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.

(j) “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).

(k) “Environmental Law” means any applicable Law 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.

(l) “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 those included in the Excluded Assets) owned or leased by the Seller and used or held for use by it in the operation of the Stations, including those items listed and described on Schedule 4.5 (other than in accordance with Section 6.1(b)(iv)).

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

(n) “ERISA Affiliate” means any Person that is or has at any relevant time been treated as a single employer with the 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 the Seller within the meaning of Section 4001(b) of ERISA.

(o) “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.

(p) “FCC Licenses” means all of the FCC licenses, permits and other authorizations issued to Seller with respect to the Stations, including the FCC licenses, permits and other authorizations identified in Schedule 4.13(a).

(q) “GAAP” means generally accepted accounting principles in the United States.

(r) “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.

(s) “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.

(t) “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.

(u) “Incentive Auction” means the broadcast incentive auction conducted by the FCC pursuant to Section 6403 of the Middle Class Tax Relief and Job Creation Act, Pub. L. No. 112-96, §6403, 126 Stat. 156, 225-230 (2012).

(v) “Independent Accounting Firm” means BDO USA, LLP.

(w) “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.

(x) “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

(y) “IRS” means the United States Internal Revenue Service, and any successor agency thereto.

(z) “Knowledge of the Seller,” “Seller’s Knowledge,” “known to the Seller” and phrases of similar import mean, with respect to any matter in question relating to the Seller, the actual knowledge of such matter by the named individuals listed in Schedule 1.1(z) hereto, after reasonable due inquiry.

(aa) “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.

(bb) “Leased Real Property” means the real property demised by a Real Property Lease.

(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) “MVPD” means any multi-channel video programming distributor.

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

(gg) “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.

(hh) “Other Seller Stations” means, any other station (other than the Stations) or business unit owned or operated by the Seller or an Affiliate of the Seller, including without limitation the Retained Station.

(ii) “Permitted Encumbrances” means, as to any 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 the Purchaser following the Closing as currently used in the operation of the Stations; (iii) any rights reserved to any Governmental Authority to regulate the affected property (including restrictions stated in any permits); (iv) in the case of any leased asset, (A) the rights of any lessor under the applicable lease agreement, (B) any statutory lien for amounts that are not yet due and payable or that are being contested in good faith, and (C) any other liens encumbering the fee title interest in any Leased Real Property and not attributable to the Seller; (v) Encumbrances created by or through the Purchaser or any of its Affiliates; (vi) 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 Assets as presently utilized; (vii) Encumbrances that will be released or discharged prior to or as of the Closing; and (viii) Encumbrances set forth on Schedule 1.1(ii).

(jj) “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.

(kk) “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 or shows as part of the programming, 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 the Seller or (ii) licensed to the Seller.

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

(mm) “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.

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

(oo) “Trade Agreement” means any contract, agreement or commitment, oral or written, other than film and program barter agreements, pursuant to which the 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.

(pp) “Transmission Equipment” means all analog, digital and other equipment owned by the 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.

(qq) “WARN” means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 201 et seq., as amended.

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
Assets	2.1(b)
Assignment and Assumption	3.2(a)
Assignment of FCC Licenses	3.2(a)
Assignments and Assumptions for Leases	3.2(a)
Assumed Liabilities	2.2(b)
Base Purchase Price	2.3
Bill of Sale	3.2(a)
Business Contract(s)	2.1(b)
Business Employee(s)	4.9
Business Insurance Policies	4.16
Closing	3.1
Closing Date	3.1
Damages	8.2
Effective Time	3.1
Excluded Assets	2.1(c)
Excluded Contracts	2.1(c)
Excluded Liabilities	2.2(b)
FAA	4.13(b)
FCC	Recitals
FCC Applications	6.4(b)
Financial Statements	4.9
GTGI	Preamble

GTL	Preamble
Indemnified Party	8.4(a)
Indemnifying Party	8.4(a)
Indemnity Notice Period	8.4(b)
Latest Balance Sheet	4.9
Latest Balance Sheet Date	4.9
Multi-Station Contract	2.7
Multi-Station Contract Obligations	2.7
Multi-Station Contract Rights	2.7
Notice of Claim	8.4(a)
Owned Real Property	2.1(b)(iii)
Proceeds	6.10(b)
Program Payments	2.4(b)(i)
Prorations	2.5
Purchase Price	2.3
Purchaser	Preamble
Real Property	2.1(b)(iii)
Real Property Leases	2.1(b)(iii)
Registered Business Intellectual Property	4.6
Repack	6.15
Required Consents	7.1(f)
Retained Station	2.1(c)(xiv)
Seller	Preamble
Stations	Recitals
Third-Party Claim	8.4(a)
Threshold	8.5(a)
Tower License Agreement	7.1(g)
Transactions	Recitals
Transferred Employees	6.7(a)
Upset Date	9.1(a)(iii)

**ARTICLE II.  
PURCHASE AND SALE OF ASSETS**

2.1. Purchase and Sale of Assets.

(a) Purchase and Sale. Upon the terms and subject to the conditions set forth herein, at the Closing the Purchaser shall purchase from the Seller, and the Seller shall irrevocably sell, convey, transfer, assign and deliver to the Purchaser, free and clear of all

Encumbrances other than the Assumed Liabilities and the Permitted Encumbrances, all right, title and interest of the Seller in and to the Assets.

(b) Assets. For all purposes of and under this Agreement, the term “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 and used or held for use in connection with the Stations as of the Closing Date. Without limiting the foregoing, the 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 Stations’ call letters;

(ii) any books and records maintained by the Seller that are necessary to operate the Stations, including those necessary to operate the Stations in compliance with the FCC’s rules and regulations, including, but not limited to, the Stations’ public file;

(iii) all of the real property interests (A) owned by the Seller (the “Owned Real Property”), or (B) leased, subleased, licensed or otherwise occupied by the Seller (each a “Real Property Lease” and together the “Real Property Leases”) (in the case of both (A) and (B) above, including any appurtenant easements, building, structures, fixtures and other improvements located thereon, that are exclusively or primarily used or exclusively or primarily held for use in the operation of the Stations, including the Owned Real Property and Real Property Leases listed on Schedule 4.10 (collectively, the “Real Property”);

(iv) all Equipment;

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

(vi) subject to any restrictions on transfer or assignment and to the extent used or held for use by the Seller in connection with the Stations, 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;

(vii) to the extent transferable by the Seller to the Purchaser, the Business Intellectual Property, subject to any restrictions on transfer or assignment thereof;

(viii) 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 set forth in Section 2.5 below;

(ix) the Accounts Receivable;

(x) to the extent assignable, all of the Seller's warranties, representations and guarantees made by suppliers, manufacturers, contractors and other third parties in connection with products or services purchased by or furnished to the Seller for use in the Stations or affecting any of the Assets; and

(xi) all goodwill associated with the Assets.

(c) Excluded Assets. Notwithstanding anything to the contrary herein, the Seller shall not convey, assign, or transfer to the Purchaser, and the Purchaser shall not acquire or have any rights to acquire, the following assets (the "Excluded Assets"):

(i) all of Seller's rights to use the name "Gray Television" or any variation thereof, or any related logo, name or phrase; the Seller's and its Affiliates' other names, service names and trade names; all URLs and Internet domain names consisting of or containing any of the foregoing; any variations or derivations of, or marks confusingly similar to, any of the foregoing;

(ii) all cash, cash equivalents and securities or other investments of the Seller, including without limitation, certificates of deposit, commercial paper or treasury bills;

(iii) all bank, money market and other depository or similar accounts of the Seller;

(iv) 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 Assets) and minute books of the Seller; all records, documents, plans and financial records related to the Transactions; records relating to other Excluded Assets; and all personnel files for employees of Seller who are not Transferred Employees;

(v) all refunds of Taxes;

(vi) 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;

(vii) rights in or any assets associated with or allocated to the Seller's 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) (Excluded Contracts), or (C) 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 the Seller from any Affiliates of the Seller;

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

(xi) any non-transferable shrink-wrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations;

(xii) all rights and claims of the Seller, whether mature, contingent or otherwise, against third parties with respect to the Assets, properties, or operations of the Stations, to the extent arising during or attributable to any period prior to the Effective Time, except to the extent that any such rights or claims arise out of the Assumed Liabilities;

(xiii) all assets used or held for use in the operation of any Other Seller Stations, including all FCC licenses, permits and authorizations, and all transmission equipment, used or held for use exclusively in the operation of WAHU-CD, Charlottesville, VA (FCC Facility ID. No. 47705) (the “Retained Station”), except for any such items that are specifically set forth as included in the Assets on the Schedules hereto; and

(xiv) the assets and rights expressly set forth on Schedule 2.1(c)(xiv) (Excluded Assets).

## 2.2. Assumption of Liabilities.

(a) Assumption. Upon the terms and subject to the conditions set forth herein, at the Closing, the Purchaser shall assume from the Seller (and thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms), and the Seller shall irrevocably convey, transfer and assign to the Purchaser, all of the Assumed Liabilities of the 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 the Seller (i) under the Business Contracts validly assigned to Purchaser (other than any Excluded Contracts) to the extent attributable to the periods at or after the Effective Time, (ii) relating to the 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 the Seller to the extent included in the calculation of the Prorations; and (v) the Multi-Station Contract Obligations pursuant to Section 2.7. Except for the Assumed Liabilities, the Purchaser does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of the Seller (the “Excluded Liabilities”).

2.3. Consideration for Assets. In consideration of the sale of the Assets to the Purchaser, at and as of the Closing, (i) the Purchaser shall pay to the Seller the sum of Twenty-Five Million Dollars (\$25,000,000) paid 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 Purchaser shall assume the Assumed Liabilities pursuant to Section 2.2 hereof. The Purchaser shall pay the Purchase Price to the Seller at Closing by wire transfer of immediately available funds in accordance with written instructions delivered by the Seller reasonably in advance of Closing.

2.4. Proration.

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

(i) the Seller will be allocated with respect to the Stations 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) the Purchaser will be allocated with respect to the Stations all revenues earned, accrued or allocable to, and all expenses, costs and liabilities incurred in or allocable to, the periods at or after the Effective Time;

(iii) (a) if at the Effective Time, any Trade Agreement has an aggregate *negative* balance (*i.e.*, the amount by which the value of air time any Station is obligated to provide after the Effective Time exceeds the fair market value of corresponding goods and services to be received by such 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) if at the Effective Time, any Trade Agreement has an aggregate *positive* balance (*i.e.*, the amount by which the value of air time any Station is obligated to provide after the Effective Time is less than the fair market value of corresponding goods and services to be received by such Station after such time), there shall be no proration or adjustment therefor, unless the aggregate positive balance of the Stations’ Trade Agreements exceeds \$5,000, in which event only such excess shall be treated as prepaid goods or services for the Stations and adjusted for as a proration in Seller’s favor;

(iv) the Prorations shall include an adjustment in Purchaser’s favor for Transferred Employee accrued unused paid time off in accordance with Seller’s employee benefit plans;

(v) the Prorations shall include an adjustment in Seller’s favor for the Accounts Receivable equal to the book value of the Accounts Receivable at Closing; and

(vi) the Seller shall remain or be solely (as between the Seller and the Purchaser) liable with respect to the Excluded Liabilities whether arising before or after Closing Date.

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

(i) the Seller will be allocated all obligations to make cash payments of license and usage fees pursuant to any Contract for Program Rights (“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) the Purchaser will be allocated all obligations to make Program Payments that first become due and payable under the terms of any applicable Contract for Program Rights after the last day of the applicable payment period that includes the Closing Date; and

(iii) with respect to Program Payments that first become due and payable under the terms of any applicable Contract for Program Rights 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.

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

(i) As promptly as possible after the Closing, but in any event not later than forty-five (45) days after the Closing Date, the Seller shall deliver to Purchaser a statement setting forth a good faith estimate of the prorations and adjustments that are required in order to give effect to Section 2.4 (the “Prorations”). In connection with Purchaser’s review of such determination, the Seller will furnish Purchaser with such information as may be reasonably requested by the Purchaser.

(ii) If the Purchaser disputes the amount of the Prorations determined by the Seller, the Purchaser shall deliver to Seller within thirty (30) days after Purchaser’s receipt of the Seller’s statement, a statement setting forth Purchaser’s determination of the Prorations. If the Purchaser notifies the Seller of its acceptance of Seller’s statement, or if the Purchaser fails to deliver its statement within the period specified in the preceding sentence, the Seller’s determination of the Prorations shall be conclusive and binding on the parties as of the last day of the thirty (30) day period.

(iii) The Seller and the Purchaser shall use good faith efforts to resolve any dispute involving the determination of the Prorations. If the parties do not resolve

the dispute within thirty (30) days following the delivery of the Purchaser's statement pursuant to Section 2.5(ii), the Seller and the 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 shall be split equally between the Seller on one hand and the Purchaser on the other hand.

(iv) Final settlement of the Prorations, in cash, will be made no later than the fifth (5th) Business Day after the value of the Prorations are finally determined pursuant to this Section 2.5. If the Purchaser owes money to the Seller as part of the Prorations, then the Purchaser shall pay such amount to Seller, and, if the Purchaser owes money to the Seller pursuant to the Prorations, then the Seller shall pay such amount to the Purchaser.

2.6. Allocation of Purchase Price. The consideration for the Assets provided herein shall be allocated among the various categories of 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 Assets. If the Purchaser and the Seller reach such agreement, the Purchaser and the Seller (a) shall execute and file all Tax Returns in a manner consistent with the allocation determined pursuant to this Section 2.6 and (b) 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. The Seller and the 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, the parties shall hire a mutually agreed upon appraisal firm to determine such allocation, which shall be binding on the parties. The parties shall instruct the appraiser to deliver its report within ninety (90) days after its appointment. The Seller and the Purchaser shall each be responsible for one-half of the cost of such appraisal.

2.7. Multi-Station Contracts. The rights of each Other Seller Station with respect to a Multi-Station Contract and the obligations of each Other Seller Station with respect to a Multi-Station Contract shall not be assigned to and assumed by the Purchaser (and shall be excluded from the Assets and shall be Excluded Liabilities, as the case may be). For purposes hereof, a "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 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. 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 the Seller, by termination of the Multi-Station Contract in its entirety and the execution of new contracts (with 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, the Purchaser in accordance with this Section 2.7 and Section 3.5. Unless requested in writing by the Purchaser, the Seller shall take all actions required by the terms of each Multi-Station Contract that is not a retransmission agreement to prevent the automatic renewal of such Multi-Station Contract solely with respect to the Stations. If a Multi-Station Contract that is a retransmission agreement is anticipated in good faith by the Seller and the Purchaser to expire or terminate prior to the Closing Date, the Seller and the Purchaser shall use commercially reasonable efforts to renew the Multi-Station Contract Rights and the Multi-Station Contract Obligations with respect to each such Multi-Station Contract or enter into a new contract on terms reasonably acceptable to the Purchaser solely with respect to the Stations. The Multi-Station Contract Rights and the Multi-Station Contract Obligations will not include any group discounts or similar benefits specific to the Seller or its Affiliates that are not transferable to Purchaser.

### **ARTICLE III. THE CLOSING**

3.1. Time and Place. Subject to the satisfaction or waiver of all conditions set forth in Article VII herein, the consummation of the Transactions (the “Closing”) shall (a) take place on the first day of the calendar month first occurring on or after 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 Error! Reference source not found. and Error! Reference source not found., other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing and (b) be effective as of 12:01 a.m., local Charlottesville, Virginia time, on the Closing Date (the “Effective Time”), and (c) be held 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 the Seller and the Purchaser. The date on which the Closing is to occur pursuant to this Section 3.1 is referred to herein as the “Closing Date.”

3.2. Closing Deliveries of the Seller. At the Closing, the Seller shall deliver, or cause to be delivered, to the 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 the Seller by a duly authorized officer thereof), in order to consummate

the Transactions, including the transfer of the Assets to the Purchaser pursuant to Section 2.1 hereof:

(a) Instruments of Transfer and Assignment.

- (i) a bill of sale conveying the Assets to Purchaser (the “Bill of Sale”);
- (ii) an instrument of assignment and assumption (the “Assignment and Assumption”);
- (iii) an assignment and assumption of lease or leases with respect to the Real Property Leases (the “Assignments and Assumptions for Leases”);
- (iv) an assignment of the FCC Licenses assigning the FCC Licenses to Purchaser (the “Assignment of FCC Licenses”);
- (v) 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 the Seller;
- (vi) the Required Consents;
- (vii) if applicable pursuant to Section 6.17, an agreement in a mutually acceptable form for Seller to provide certain transition services to Purchaser; and
- (viii) such other instruments of transfer as the Purchaser may reasonably request to convey any Assets to the Purchaser.

(b) Closing Certificates and Other Documents.

- (i) an officer’s certificate to be delivered by the Seller, which shall certify as to the satisfaction of the conditions set forth in Sections 7.1(a) and 7.1(b) hereof;
- (ii) a certificate executed by Seller certifying the due authorization of this Agreement;
- (iii) if applicable, a certificate of the Seller certifying as to its non-foreign status which complies with the requirements of Section 1445 of the Internal Revenue Code; and
- (iv) the Tower License Agreement.

3.3. Closing Deliveries of the Purchaser. At the Closing, the Purchaser shall make the payment and deliver, or cause to be delivered, to the 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 the Purchaser by a duly authorized officer

thereof) in order to pay for the Assets and effect the assumption of all Assumed Liabilities from the Seller pursuant to Section 2.2 hereof:

- (a) Purchase Price. The Purchase Price in accordance with Section 2.3.
- (b) Instruments of Assumption.
  - (i) the Assignment and Assumption;
  - (ii) the Assignments and Assumptions for Leases;
  - (iii) if applicable pursuant to Section 6.17, an agreement in a mutually acceptable form for Seller to provide certain transition services to Purchaser; and
  - (iv) all other instruments and certificates of assumption, as the Seller may reasonably request in order to effectively make the Purchaser responsible for all Assumed Liabilities.
- (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) hereof;
  - (ii) a certificate executed by Purchaser certifying the due authorization of this Agreement; and
  - (iii) the Tower License Agreement.

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

3.5. Assignment of Business Contracts. To the extent that the transfer or assignment hereunder by the Seller to the 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 the Seller to the 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. The Seller and the 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 the Seller nor the 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, the Seller shall cooperate with the Purchaser in any reasonable arrangement designed to provide for the Purchaser after the Closing the benefits intended to be assigned to the Purchaser under the applicable Business Contract, including enforcement at the cost and for the account of the Purchaser of any and all rights of the Seller against the other party thereto arising out of the breach thereof by such other party or otherwise; provided, that the Purchaser shall (a) undertake to pay or satisfy the corresponding Liabilities for the enjoyment of such benefit to the extent that the Purchaser would have been responsible therefor hereunder if such consent, waiver or approval had been obtained and (b) indemnify and hold harmless the Seller and its Affiliates for any costs, expenses or Liabilities (including legal fees and expenses) incurred by them in connection with the enforcement of such Business Contract at the request of the Purchaser. Upon receipt of any such third-party consent or approval after Closing, the applicable Business Contract shall be automatically assigned to, and assumed by, the Purchaser on the terms hereof without further action by the Purchaser or the Seller.

#### **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE SELLER**

The Seller hereby represents and warrants to the Purchaser as follows:

4.1. Organization. Seller is duly organized, validly existing and in good standing under the Laws of its state of formation, with all requisite limited liability company power and authority to own, operate or lease the Assets as now owned, operated or leased by it, and to conduct the Stations substantially as presently conducted by it, and, if required, is qualified to do business in each jurisdiction in which its 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 which Seller is a party, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution and delivery by the Seller of this Agreement and the Operative Agreements to which it is a party, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the Transactions, have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been, and the Operative Agreements to which Seller is a party shall at Closing be, duly executed and delivered by Seller. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by the Purchaser, this Agreement constitutes, and each of the Operative Agreements to which Seller is a party (when so executed and delivered) will constitute, a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its 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 hereto 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 the Seller of this Agreement and the Operative Agreements to which Seller is a party, the performance by the Seller of its obligations hereunder

and thereunder, and the consummation by the Seller of the Transactions, will not conflict with the Organizational Documents of the Seller or any contract or agreement to which the Seller is a party or by which it is bound, or any Law to which the Seller is subject, or require the consent or approval of, or a filing by the Seller with, any Governmental Authority or any third party.

4.4. Government Consents. Except as set forth in Schedule 4.4, 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 the Seller in connection with the execution and delivery by the Seller of this Agreement and the Operative Agreements to which Seller is a party, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the Transactions except the FCC Consent.

4.5. Equipment and Tangible Personal Property. Schedule 4.5 contains a list of all material items of Equipment included in the Assets. The Seller has good and marketable title to the Equipment free and clear of all Encumbrances except for Permitted Encumbrances. Except as specified on Schedule 4.5, all material items of Equipment are in normal operating condition, ordinary wear and tear excepted, and are being maintained in material compliance with good engineering practice, industry practices and applicable FCC rules and policies.

4.6. Intellectual Property and Proprietary Rights. Schedule 4.6 contains a description of the material Business Intellectual Property included in the Assets. The Seller is the owner of all right, title, and interest in and to each item of Business Intellectual Property set forth on Schedule 4.6. To the Seller's Knowledge, the Seller's use of the Business Intellectual Property does not infringe upon any third-party rights in any material respect. No material Business Intellectual Property is the subject of any pending, or, to the Seller's Knowledge, threatened legal proceedings claiming infringement or unauthorized use. The Seller has not received any written notice that its use of any material Business Intellectual Property is unauthorized or infringes upon the rights of any other Person. To the Knowledge of the Seller, none of the material Business Intellectual Property owned by the Seller is being materially infringed, nor is such material Business Intellectual Property being materially used or available for use by any Person other than the Seller.

4.7. Business Contracts.

(a) Schedule 4.7(a) contains a list of the Business Contracts of the Seller included in the Assets other than (i) any oral or written Contract involving less than \$100,000 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; and (iii) any service contracts terminable by the Seller on no more than 60 days' notice.

(b) Except as set forth in Schedule 4.7(b), (i) each Business Contract listed on Schedule 4.7 represents a valid, binding and enforceable obligation of the Seller in accordance with the respective terms thereof and, to the 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 the Seller, nor any other party is in material breach or default under any Business

Contract listed on Schedule 4.7(a), (iii) as of the date hereof, no outstanding written notice of default has been sent or received under any Business Contract listed on Schedule 4.7(a), and (iv) true, correct and complete copies of the Business Contracts listed on Schedule 4.7(a) have been made available to Purchaser, except for retransmission consent agreements and other contracts that are Excluded Assets. The Stations are carried pursuant to must-carry or retransmission consent on material MVPDs in the DMA.

4.8. Business Employees. Schedule 4.8 lists all employees of the Seller who, as of the date of this Agreement, have employment duties related to the Stations and are available for the Purchaser to hire, 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, title as of the date hereof and salary as of the date hereof. Each employee set forth in Schedule 4.8 who remains employed by the Seller immediately prior to the Closing (whether actively or inactively), and each additional employee who is hired to work exclusively at the Stations following the date hereof and prior to the Closing who remains employed by the Seller immediately prior to the Closing (whether actively or inactively), is referred to herein individually as a "Business Employee" and, collectively, as the "Business Employees." Except as described in Schedule 4.7(a), Seller has no written or oral contracts of employment with any Business Employee other than oral employment agreements terminable at will without penalty.

4.9. Financial Statements. The Seller has provided to the Purchaser true, correct and complete copies of the following financial statements (collectively, the "Financial Statements"): (i) the unaudited balance sheet of the Stations (the "Latest Balance Sheet") as of December 31, 2018 (the "Latest Balance Sheet Date"), (ii) the unaudited balance sheet of the Stations as of December 31, 2017, and (iii) the related unaudited income statements of the Stations for the year ended December 31, 2018, and for the year ended December 31, 2017. The Financial Statements have been prepared in accordance with GAAP in all material respects and were derived from the books and records of the Stations and fairly present, in all material respects, the financial position and results of operations of the Stations as of the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein and subject, in the case of the Latest Balance Sheet and the income statement of the Stations for the period ended on the Latest Balance Sheet Date, to normal and recurring year-end adjustments and the absence of footnotes. To the Knowledge of Seller, Seller is not subject, with respect to the Assets, to any material Liability required in accordance with GAAP to be disclosed on a balance sheet or disclosed in a footnote as a contingent liability of the Stations, which is not shown or reserved for in the Latest Balance Sheet, other than (A) Liabilities incurred in the ordinary course of business since December 31, 2018, and (B) Liabilities set forth on Schedule 4.9.

4.10. Real Property. Seller has good and marketable fee simple title to the Owned Real Property described on Schedule 4.10 free and clear of Encumbrances other than Permitted Encumbrances. Schedule 4.10 includes a description of each Real Property Lease. Seller has good leasehold title to its interests in the Leased Real Property, free and clear of all Encumbrances, except for Permitted Encumbrances. Seller is in peaceable possession under each Real Property Lease. To the Seller's Knowledge, the Real Property Leases provide Seller with access to public roads or streets. To the 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 material adverse claims

affecting any Real Property, and, as of the date hereof, the 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.

4.11. Litigation; Governmental Orders.

(a) Except as set forth in Schedule 4.11 or Schedule 4.13(b), there are no pending or, to the Knowledge of the Seller, threatened (in writing) Actions by any Person or Governmental Authority against or relating to the Seller with respect to the Stations or to which any of the Assets are subject.

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

4.12. Compliance with Laws. Except as set forth in Schedule 4.12, the Seller is in compliance in all material respects with all Laws and Governmental Orders applicable to the Stations.

4.13. FCC/FAA Matters; Qualifications.

(a) Schedule 4.13(a) contains a list of the FCC Licenses and a list, as of the date hereof, of the material pending FCC applications held by the Seller for use in the operation of the Stations. Except as set forth on Schedule 4.13(a), such FCC Licenses are in full force and effect, and, to the 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 4.13(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) the 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 has or will have at the Closing timely paid all regulatory fees in respect thereof which have become due and payable. Except as set forth in Schedule 4.13(b), to the Knowledge of the 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 4.13(b), the 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.

4.14. Labor Matters.

(a) Except as set forth on Schedule 4.14(a), there is not pending or, to the Knowledge of the Seller, threatened in writing against the Seller, any labor dispute, strike or work stoppage that affects or interferes with the operation of the Stations and, to the Knowledge of the Seller, there is no organizational effort currently being made or threatened in writing by or on behalf of any labor union with respect to Business Employees of the Stations. The Stations

have not experienced any strike, work stoppage or other similar significant labor difficulties within the twelve (12) months preceding the date of this Agreement.

(b) Except as set forth on Schedule 4.14(b), (i) the Seller is not a signatory or a party to, or otherwise bound by, any collective bargaining agreement which covers any Business Employees, (ii) the Seller has not agreed to recognize any union or other collective bargaining unit with respect to any Business Employees, and (iii) no union or other collective bargaining unit has been certified as representing any Business Employees.

4.15. Environmental Matters. Except as disclosed on Schedule 4.15:

(a) To the Knowledge of the Seller, the Real Property is in compliance in all material respects with all Environmental Laws applicable to the Stations as presently conducted by the Seller.

(b) To the Knowledge of the Seller, except in compliance in all material respect with Environmental Laws, there is none (and there has not previously been any) of the following: (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) The Seller has not received any written 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 with respect to the Stations or the Assets.

4.16. Insurance. The Seller maintains insurance in respect of the Assets and the Stations covering such risks, in such amounts, with such terms and with such insurers as the 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").

4.17. Taxes. The 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 Assets after the Closing or in the imposition of transferee liability on Purchaser for the payment of such Taxes. To the Knowledge of Seller, 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 the Purchaser as transferee of the Assets or as operator of the Stations following the Closing.

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

4.19. Sufficiency of Assets. Except for the Excluded Assets, the Assets constitute all the assets and properties of Seller, whether tangible or intangible, whether personal, real or mixed, wherever located, necessary to operate in all material respects the Stations as presently operated by the Seller.

4.20. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS ARTICLE IV, THE SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, INCLUDING, ANY WARRANTY OF TITLE, MERCHANTABILITY OR FITNESS OF ANY ASSET FOR A PARTICULAR PURPOSE OR WITH RESPECT TO ANY PROJECTIONS OR FUTURE FINANCIAL OR OPERATIONAL PERFORMANCE OF THE STATIONS, ITS BUSINESS, OR THE ASSETS.

## **ARTICLE V. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby represents and warrants to the Seller as follows:

5.1. Organization. The Purchaser is duly organized, validly existing and in good standing under the Laws of the Commonwealth of Virginia.

5.2. Authority. The Purchaser has all requisite 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 the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, have been duly authorized by all necessary requisite limited liability company action on the part of the Purchaser. This Agreement has been, and the Operative Agreements to which the Purchaser is a party shall be, duly executed and delivered by the Purchaser. Assuming the due authorization, execution and delivery of this Agreement and the Operative Agreements by the Seller, this Agreement constitutes, and each of the Operative Agreements to which the Purchaser is a party (when so executed and delivered) will constitute, a legal, valid and binding obligation of the Purchaser, enforceable against the 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 hereto have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities described in Section 5.4 hereto have been made, the execution and delivery by the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, and the assumption and performance of the Assumed Liabilities, will not conflict with the Organizational Documents of the Purchaser or any contract or agreement to which the Purchaser is a party or by which it is bound, or any Law to which the

Purchaser is subject, or require the consent or approval of, or a filing by the Purchaser with, any Governmental Authority or any third party.

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 the Purchaser in connection with the execution and delivery by the Purchaser of this Agreement and the Operative Agreements to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder, the consummation by the Purchaser of the Transactions, the assumption and performance of the Assumed Liabilities, except (a) the FCC Consent and (b) 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 the 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 the Purchaser, threatened Actions by any Person or Governmental Authority against or relating to the Purchaser (or any Affiliate of the Purchaser) or by which the 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 the 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 the 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 legally, technically, financially and otherwise qualified under the Communications Act and all other applicable Laws to perform its obligations hereunder, and to be the licensee of the FCC Licenses and own and operate the Stations. There is no fact or circumstance relating to the 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 to disqualify the Purchaser as the licensee of the FCC Licenses or as the owner or operator of the Stations. The 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 the Purchaser or any of its Affiliates. No waiver of or exemption from any FCC rule or policy is required for the grant of the FCC Applications.

5.8. Financing. The Purchaser has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement. The Purchaser acknowledges and agrees that it shall be the Purchaser's obligation to have funds on hand at the Closing sufficient to enable the Purchaser to pay the Purchase Price and the Purchaser's failure to have such funds at Closing shall constitute a breach by the Purchaser that gives rise to the failure of a condition set forth in Section 7.2 for the purposes of Section 9.1(a) and that no cure period shall be available for such breach.

**ARTICLE VI.  
COVENANTS AND AGREEMENTS**

6.1. Conduct of Business. 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 hereof, unless the Purchaser shall otherwise consent in writing (such consent not to be unreasonably withheld, delayed, denied or conditioned), and except as otherwise required by Law or to enable the Seller to comply with its obligations hereunder or as otherwise set forth in Schedule 6.1 hereto, the 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 reasonable efforts to preserve and maintain in all material respects the goodwill of the Stations and the current relationships of the Seller with employees, customers, suppliers and others with significant and recurring business dealings with the Stations, each in the ordinary course of business, (iii) use commercially reasonable efforts to maintain all FCC Licenses, including by 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 the ordinary course of business, (vi) utilize the Program Rights of the Stations in the ordinary course of business, (vii) promptly advise the Purchaser in writing after the 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 and (viii) consult with Purchaser prior to hiring any new management-level Business Employees for the Stations;

(b) without limiting the foregoing, 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, unless the Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed, denied or conditioned, and which shall be deemed given if the Purchaser does not respond to the Seller's request for consent sent via email to the Purchaser's counsel to the email address set forth in Section 10.1 within five (5) Business Days after delivery thereof):

(i) (A) enter into, materially amend, materially modify or terminate (other than in the ordinary course of business, consistent with past practice, 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 \$100,000 individually in any twelve-month period or \$300,000 in the aggregate in any twelve-month period for all such Business Contracts;

(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.

(iv) (A) sell or make any other disposition of any of the 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 any Encumbrance on any of the Assets, other than Permitted Encumbrances;

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

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

6.2. Access and Information. Subject to the terms of the Confidentiality Agreement, 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, the Seller shall permit the Purchaser and its authorized agents and representatives to have reasonable access, upon reasonable advance notice and during normal business hours, to the Stations and the Assets and all of its relevant books, records and documents of or relating to the Stations and the Assets, and shall furnish to the Purchaser such information and data, financial records and other documents in its possession relating to the Stations and the Assets as the Purchaser may reasonably request; provided that such access shall not unduly interrupt the normal operations of the Stations or Other Seller Stations, shall be coordinated through the Seller management, and shall comply with all applicable Business Contracts and Permitted Encumbrances.

6.3. Confidentiality. Without limiting the terms of the Confidentiality Agreement, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by the Seller to the Purchaser) shall be confidential and shall not be disclosed to any other Person, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement. The parties acknowledge that this Agreement must be filed with the FCC.

6.4. Further Actions.

(a) Upon the terms and subject to the conditions set forth in this Agreement (including the terms of Section 6.4(b) hereof), the Seller and the 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 nonactions, 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 6.4(a), the Purchaser and the Seller each shall prepare and file with the FCC as soon as practicable, but in no event later than five (5) 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 the Purchaser nor the 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 the 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 the Purchaser nor the 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, the Purchaser and the 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 6.4 to obtain the FCC Consent, the Purchaser and the 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. The Seller shall be permitted to enter into tolling agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against the Seller in connection with any pending complaint against the Seller relating to the broadcast of allegedly obscene, indecent or profane material, or regarding the Seller’s compliance with other FCC rules.

(d) Prior to Closing, Seller shall use commercially reasonable efforts to obtain customary estoppel certificates executed by the landlords to the Stations' studio and tower leases, but no such estoppel certificates are conditions to Closing hereunder.

6.5. Publicity. The Seller and the 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 the Seller nor the 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.

6.6. Transaction Expenses. The 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. The 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. Each party shall pay one-half of all transfer Taxes (including sales, use and real property transfer Taxes) and fees and costs of recording or filing all applicable conveyancing instruments associated with the transfer of the Assets from the Seller to the Purchaser pursuant to this Agreement. Consistent with Section 6.4(b) above, each party shall pay one-half of all FCC filing fees. The Seller and the 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 Assets from the Seller to the Purchaser pursuant to this Agreement and/or shall cooperate to seek an available exemption from such Taxes.

6.7. Employees and Employee Benefit Matters.

(a) Purchaser shall employ or offer employment in accordance with the provisions of this Section 6.7 to the Business Employees listed on Schedule 4.8, along with any other employees of the Stations hired after the date of this Agreement (in each case so long as such employees satisfy Purchaser's standard, non-discriminatory hiring criteria and standard pre-employment testing and screening, applicable to similarly situated employees), effective as of the Closing (provided such Business Employee is employed as of such date). All Business Employees who accept such offer of employment under the first sentence of this paragraph shall be referred to herein as "Transferred Employees". Reasonably prior to Closing, Purchaser and Seller will cooperate in good faith and devise a mutually agreeable process and timeframe for Purchaser to make offers to the Business Employees.

(b) Immediately prior to the Closing, the Seller shall terminate the employment of all Business Employees who have accepted an offer of employment with Purchaser.

(c) Seller shall retain full responsibility and Liability for offering and providing "continuation coverage" to any "qualified beneficiary" who is covered by a "group

health plan” sponsored or contributed to by Seller or an ERISA Affiliate and who has experienced a “qualifying event” or is receiving “continuation coverage” on or prior to the Closing. “Continuation coverage,” “qualified beneficiary,” “qualifying event” and “group health plan” shall each have the meaning given such term under Section 4980B of the Internal Revenue Code and Section 601 et seq. of ERISA.

(d) Seller shall be solely responsible for compliance with applicable federal, state or local laws regarding “plant closings” or “mass layoffs” (as such terms are defined in WARN) or similar triggering events as they relate to the transactions contemplated by this Agreement, including, without limitation, the requirements of WARN. Except as otherwise provided in this Section 6.7, Seller shall (i) retain liability for all obligations and liabilities to the Business Employees arising prior to the Closing; and (ii) in accordance with Seller’s employment terms or employment and compensation agreements, 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 paid time off, any liabilities accrued or incurred under any of the employee plans, or any other benefits or payments relating to the period of employment by the Seller.

(e) Solely to the extent Purchaser receives an adjustment in the Prorations in Purchaser’s favor with respect thereto and except as provided in the following sentence, the Purchaser will assume all liabilities for unused accrued paid time off of each Transferred Employee as of the Closing Date, giving service credit under Purchaser’s paid time off policy for service with the Seller and shall permit Transferred Employees to use their paid time off entitlement accrued as of the Closing Date in accordance with Purchaser’s policy for carrying over unused paid time off. To the extent that, following the Closing Date Purchaser’s policies do not permit a Transferred Employee to use any accrued and unused paid time off for which Purchaser has assumed the liabilities hereunder (other than as a result of such Transferred Employee’s failure to use such paid time off despite his or her eligibility to do so, without adverse consequences, under Purchaser’s policies), Purchaser will pay such Transferred Employee for any such paid time off, solely to the extent Purchaser received an adjustment in Purchaser’s favor with respect thereto in the Prorations. Service with the Seller shall be taken into account in determining Transferred Employees’ paid time off entitlement under Seller’s paid time off policy after the Closing Date. Notwithstanding any provision in this Agreement to the contrary, no Transferred Employee shall be entitled to receive duplicate credit for the same period of service. Nothing in this Agreement prohibits Purchaser from paying out the accrued unused paid time off to Transferred Employee at Closing.

(f) This Section 6.7 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 the Purchaser, the service provider or the Seller or in respect of any other matter.

6.8. Retention of and Access to Records. From and after the Closing, for a period of six (6) years, the Purchaser shall preserve all books and records transferred by the Seller to the Purchaser pursuant to this Agreement. Upon the expiration of such six (6) year period, the

Purchaser shall provide the Seller a reasonable opportunity to obtain copies, at the Seller's expense, of any of such books and records. As soon as practicable following the Closing, the Purchaser shall deliver to the Seller such financial information relating to the Stations in sufficient detail to enable the Seller to prepare its financial statements and all Tax Returns of the Seller relating to periods ending on or prior to the Closing Date. In addition to the foregoing, from and after the Closing, the Purchaser shall afford to the Seller, and its counsel, accountants and other authorized agents and representatives, during normal business hours, reasonable access to the employees, books, records and other data relating to the Assets, the Assumed Liabilities, the Transferred Employees and the Excluded Liabilities in its possession with respect to periods prior to the Closing, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such party or Person or its Affiliates, (b) for the preparation of Tax Returns and audits, and (c) for any other reasonable business purpose.

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

6.10. Risk of Loss.

(a) The Seller shall bear the risk of any loss of or damage to any of the Assets at all times until the Effective Time, and the Purchaser shall bear the risk of any such loss or damage thereafter.

(b) If, prior to the Closing, any of the Assets shall be damaged or destroyed by fire or other casualty, the Seller shall take all reasonable steps to repair, replace and restore the 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 the Seller will have no obligation to repair, replace or restore in excess of the Proceeds (plus any applicable deductible payment), and that the Purchaser's sole remedies if the Seller elects not to fully repair, replace or restore will be (i) to terminate this Agreement, or (ii) to close in accordance with Section 6.10(d).

(c) In the event that, prior to Closing, any damage or loss causes material impairment to and prevents broadcast transmissions of WCAV in the normal and usual manner and substantially in accordance with the FCC Licenses (not to include ordinary course scheduled maintenance), the 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 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 the 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 applicable periods, subject to the Upset Date.

(d) If any loss of or damage to the Assets occurs prior to the Closing Date, and repair, replacement or restoration of such 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 6.10(c)), or the cost thereof is greater than the Proceeds (plus any applicable deductible), then Purchaser will be entitled, but not obligated, to accept the 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 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 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 any Indemnified Party claiming through Purchaser will have no rights to indemnification under Article VIII of this Agreement with respect thereto.

6.11. Restrictions. Prior to Closing, the Purchaser and its consultants and agents shall not contact any employees of Seller or its Affiliates without the Seller's express prior written approval, nor shall the Purchaser contact or otherwise discuss the transaction contemplated hereby with any vendor, customer or any other party with which the Seller or its Affiliates has contracted without the prior consent written of the Seller.

6.12. Environmental.

(a) With respect to any Owned Real Property or ground lease included in the Assets, the Purchaser may at its expense conduct Phase I environmental assessments (each a "Phase I") prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any Phase I identifies a condition requiring remediation under applicable Environmental Law, then:

(i) except as set forth below, the Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with the Seller's representations and warranties deemed modified to take into account any such condition) and the Seller shall remediate such item in all material respects after Closing (and the Purchaser will provide the Seller access and any other reasonable assistance requested by the Seller with respect to such obligation).

(c) Notwithstanding anything herein to the contrary, if at any time any such condition exists and the reasonably estimated cost to remedy all such conditions in the aggregate exceeds \$200,000, then either party shall have the right to terminate this Agreement upon written notice to the other party.

6.13. Title Insurance; Survey. Purchaser may obtain, at its sole option and expense, and subject to any necessary landlord consent, Seller shall grant Purchaser commercially reasonable access (upon reasonable prior notice and so long as it does not interrupt operations) to obtain (a) commitments for lessee's and lender's title insurance policies for all Leased Real Property (collectively the "Title Commitments"), and (b) an ALTA survey on each parcel of Real Property (the "Surveys"); provided, however, that Seller shall provide Purchaser with any existing Title Commitments and Surveys in its possession, if any. Seller shall reasonably cooperate with Purchaser in obtaining such Title Commitments and Surveys; provided that Seller will not be required to incur any cost, expense or other liability in connection therewith.

6.14. Updates. The Seller, by written notice to the Purchaser, may update Schedule 4.7(a) at any time before the Closing to (a) add any contract, agreement or lease entered into by the Seller after the date of this Agreement and before the Closing, in compliance with Section 6.1, that would have qualified as a Business Contract if it had been in effect on the date of this Agreement, (b) subject to the Purchaser's consent with respect to any Business Contract that would have been required to be listed on Schedule 4.7(a) at signing and is not reflected in the statement of operations for the Stations, add any Contract entered into by the Seller before the date of this Agreement that was unintentionally omitted from the original Schedule 4.7(a), and (c) remove any Business Contract that after the date of this Agreement and before the Closing has expired or been terminated in compliance with the terms of this Agreement. All such Contracts that are so added to Schedule 4.7(a) in accordance with this paragraph shall, for all purposes of this Agreement, be deemed to be Business Contracts and included in the Assets. All Business Contracts that are so removed from Schedule 4.7(a) in accordance with the terms and conditions of this Agreement, including Section 6.1, shall, for all purposes of this Agreement, thereafter be deemed to be Excluded Assets and shall cease to be Business Contracts and shall no longer be included in the Assets.

6.15. Station Repack. The parties acknowledge that WCAV(DT) has been reassigned by the FCC to a new channel in the repacking process associated with the Incentive Auction (the "Repack"). Prior to the Closing Date, Seller shall use commercially reasonable efforts to take all actions and activities reasonably necessary to timely effect the Repack of WCAV(DT) in compliance with the Communications Act. Seller shall be responsible for all costs associated with such necessary actions and activities relating the Repack of WCAV(DT) prior to Closing, and Seller shall be entitled to request and receive reimbursement of such pre-Closing Repack costs incurred by Seller from the TV Broadcaster Relocation Fund (the "Repack Fund"), all of which requests Seller shall submit to the FCC prior to Closing. Purchaser shall be entitled to request and receive reimbursement of all WCAV(DT) Repack costs incurred by Purchaser after Closing from the Repack Fund. In the event Purchaser or its Affiliates receives from the Repack Fund reimbursement funds for pre-Closing Repack costs incurred and submitted by Seller to the FCC, Purchaser shall promptly pay such funds over to Seller, without offset; and in the event Seller or its Affiliates receive from the Repack Fund reimbursement funds for post-Closing

Repack costs incurred and submitted by Purchaser to the FCC, Seller shall promptly pay such funds over to Purchaser, without offset.

6.16. Non-Solicitation.

(a) For a period of one (1) year following the Closing, the Seller shall not, and shall cause its Affiliates not to, solicit or recruit any person who is a Transferred Employee; provided, that the foregoing shall not prohibit (A) a general solicitation to the public of general advertising or similar methods of solicitation (including by search firms) not specifically directed at Transferred Employees, (B) the Seller or their Affiliates from soliciting, recruiting or hiring any Transferred Employee who replies to such general solicitations described in (A) above, has ceased to be employed or retained by the Seller, the Purchaser or any of their respective Affiliates, or otherwise contacts the Seller or its Affiliates on his or her own initiative or (C) such Business Employee is engaged in employment discussions with Seller or its Affiliates as of the date hereof.

(b) The Seller acknowledges that the covenants of the Seller set forth in this Section 6.16 are an essential element of this Agreement and that any breach by the Seller of any provision of this Section 6.16 will result in irreparable injury to the Purchaser. The Seller acknowledges that in the event of such a breach, in addition to all other remedies available at law, the Purchaser shall be entitled to seek equitable remedies available at law in accordance with Section 9.3.

(c) If a court of competent jurisdiction determines that the character, duration or geographical scope of the provisions of this Section 6.16 are unreasonable, it is the intention and the agreement of the parties that these provisions shall be construed by the court in such a manner as to impose only those restrictions on the Seller's conduct that are reasonable in light of the circumstances and as are necessary to assure to the Purchaser the benefits of this Agreement. If, in any judicial proceeding, a court shall refuse to enforce all of the separate covenants of this Section 6.16 because taken together they are more extensive than necessary to assure to the Purchaser the intended benefits of this Agreement, it is expressly understood and agreed by the parties that the provisions hereof that, if eliminated, would permit the remaining separate provisions to be enforced in such proceeding, shall be deemed eliminated, for the purposes of such proceeding, from this Agreement.

6.17. Transition Services. The parties acknowledge that certain services for the Stations are currently provided by Seller as cooperate overhead services and are Excluded Assets as provided in Schedule 2.1(c)(xiv). Seller shall reasonably cooperate with Purchaser in connection with the transition of the provision of such services to Purchaser or Purchaser's vendors, as applicable, prior to Closing, and at Purchaser's option, Seller and Purchaser shall in good faith negotiate for Seller's continued short-term provision of reasonably necessary customary transition services for the Stations after the Closing pursuant to a customary and mutually agreeable transition services agreement, which may, without limitation, include the provision of post-Closing web hosting services for the Stations. Purchaser will pay Seller for the transition services in accordance with the scope of work to be agreed upon by Purchaser and Seller.

## ARTICLE VII. CLOSING CONDITIONS

7.1. Conditions to Obligations of the Purchaser. The obligations of the 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 the Purchaser in writing:

(a) All representations and warranties of the Seller 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 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 the Purchaser in writing.

(b) The 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 Transactions.

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

(e) The Seller shall have delivered, or stand ready to deliver, to the 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 hereof.

(f) The Required Consents shall have been obtained and delivered to the Purchaser. For purposes hereof, "Required Consent" shall mean the consents relating to the Business Contracts set forth on Schedule 7.1(f).

(g) The Seller shall have entered into a mutually agreeable Tower License Agreement containing the terms set forth on Schedule 7.1(g) and other customary terms (the "Tower License Agreement"), pursuant to which the Purchaser shall lease back to the Seller space on the tower and in the building located at the Stations' current tower site for the continued operation of the Retained Station.

7.2. Conditions to Obligations of the Seller. The obligations of the 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 the Seller in writing:

(a) All representations and warranties of the 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), except for changes which are permitted or contemplated pursuant to this Agreement or specifically consented to by the Seller in writing.

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

(f) The Purchaser shall have entered into the Tower License Agreement.

(g) The Closing shall occur concurrently with or immediately prior to Seller's acquisition of WVIR-TV, Charlottesville, Virginia (the "WVIR Acquisition").

## **ARTICLE VIII. INDEMNIFICATION**

8.1. Survival. The representations and warranties in this Agreement shall survive the Closing for a period of twelve (12) months from the Closing Date, whereupon all such representations and warranties shall expire and terminate and shall be of no further force or effect; provided, however, that the representations and warranties in Section 4.17 (Taxes), Section 4.15 (Environmental) and those under Sections 4.5 and 4.10 (but solely with respect to title) shall survive the Closing until the expiration of any 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. All of the covenants, agreements or obligations in this Agreement shall survive the Closing until performed.

8.2. Indemnification by the Purchaser. Subject to Section 8.5, after the Closing, the Purchaser agrees to indemnify, defend and hold harmless the Seller, its Affiliates and its and their respective officers, directors, employees and representatives (each, a "Seller Indemnified")

Party”), from and against any and all losses, damages, Liabilities and expenses, including reasonable attorneys’ fees (collectively, “Damages”) which such Seller Indemnified Party sustains or incurs as a result of or arising out of:

- (a) the breach of any representation or warranty of the Purchaser herein;
- (b) default of any covenant or agreement of the Purchaser contained herein;
- (c) the Assumed Liabilities; and
- (d) the business or operation of the Stations after the Effective Time.

8.3. Indemnification by the Seller. Subject to Section 8.5, after the Closing, the Seller agrees to indemnify, defend and hold harmless the Purchaser, its Affiliates and its and their respective officers, directors, employees and representatives (each, a “Purchaser Indemnified Party”), from and against any and all Damages which such Purchaser Indemnified Party sustains or incurs as a result of or arising out of:

- (a) the breach of any representation or warranty of the Seller herein;
- (b) default of any covenant or agreement of the Seller contained herein;
- (c) the Excluded Liabilities; and
- (d) the business or operation of the Stations before the Effective Time, except for the Assumed 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 thirty (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 reasonable 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 (A) at least five (5) Business Days’ prior notice of such settlement or compromise is given to the Indemnified Party and (B) 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 the 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 (1) 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 (2) 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.

(a) Notwithstanding anything herein to the contrary, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party pursuant to Sections 8.2(a) or 8.3(a) 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 Three Hundred Thousand Dollars (\$300,000) (the “Threshold”); provided, however, that if the aggregate amount of such Damages exceeds the Threshold, the Indemnifying Party shall be liable only for the amount of Damages in excess of the Threshold. 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 Three Million Dollars (\$3,000,000) (the “Cap”). Notwithstanding anything herein to the contrary, neither the Threshold nor the Cap shall apply (i) in the case of fraud or (ii) with respect to any breach of Sections 4.5 or 4.10 (but solely with respect to title). For the avoidance of doubt, the maximum amounts payable under any clause of this Section 8.5(a) shall be reduced by any amount previously paid under Section 8.2(a) of this Agreement, or under Section 8.3(a) of this Agreement, in the aggregate, as applicable.

(b) Notwithstanding anything herein to the contrary, payments by the Indemnifying Party pursuant to Section 8.2 or 8.3, as the case may be, shall be limited to the amount of Damages, if any, that remain after deducting therefrom (i) any insurance proceeds and any indemnity, contribution or other similar payment actually recovered by the Indemnified Parties from any third party with respect thereto, reduced by any costs directly associated with recovery and any increase in any insurance related premiums as a result of any insurance claim related to such Damages, and (ii) any provision or reserve specifically provided for the item in question in the Prorations.

**(c) ABSENT FRAUD, NO CLAIM FOR INDEMNIFICATION OR CAUSE OF ACTION ARISING UNDER OR RESULTING FROM THIS AGREEMENT, ANY OTHER OPERATIVE AGREEMENT OR ANY OF THE TRANSACTIONS MAY BE ASSERTED BY ANY INDEMNIFIED PARTY AGAINST THE SELLER OR THE PURCHASER, RESPECTIVELY, FOR PUNITIVE, SPECIAL, EXEMPLARY, SPECULATIVE, REMOTE OR CONSEQUENTIAL DAMAGES (INCLUDING FOR LOST PROFITS, REVENUE, OR BUSINESS OPPORTUNITY), OR FOR DAMAGES CALCULATED ON THE BASIS OF ANY MULTIPLE OR FOR DIMINUTION IN VALUE, UNLESS AND ONLY TO THE EXTENT SUCH DAMAGES ARE PAYABLE BY THE INDEMNIFIED PARTY TO A THIRD PARTY.**

(d) The Indemnifying Party and the Indemnified Party shall use their respective commercially reasonable efforts with respect to resolving any Liability or minimizing

Damages with respect to which an Indemnifying Party is obligated to indemnify an Indemnified Party to this Article VIII. The Indemnified Party shall use its commercially reasonable efforts to pursue payment under or from any insurer or third-party in respect of such Damages.

8.6. Treatment of Indemnity Benefits. All payments made by the Seller or the 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 an Indemnified Party from and after the Closing with respect to Damages and any and all claims for any breach or liability under this Agreement (except as specifically provided in any other Operative Agreement) shall be solely in accordance with, and limited by, the indemnification provisions set forth in this Article VIII.

## **ARTICLE IX. TERMINATION**

### 9.1. Termination.

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

(i) by the Purchaser or the Seller, if the non-terminating 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) (in the case of a breach or default by Seller) or Section 7.2(a) or Section 7.2(b) (in the case of a breach or default by the Purchaser), if such breach or failure to perform had occurred at the time scheduled for Closing and (b) if applicable, such breach has not been substantially cured as set forth in Section 9.1(c);

(ii) by the Purchaser or the Seller, 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 the Purchaser or the Seller 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");

(iv) by the Seller if its purchase agreement for the WVIR Acquisition terminates or expires; or

(v) by the Purchaser or Seller, as applicable, pursuant to Section 6.10 or Section 6.12.

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

(c) If either party asserts that the other is in breach or default of this Agreement in a manner that would entitle such party the right to terminate under Section 9.1(a)(i), the non-defaulting party shall, prior to exercising its right to terminate under Section 9.1(a)(i), provide the defaulting party with written notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price at Closing 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 fifteen (15) days from receipt of such notice to cure such default; provided, however, that if the breach or default is incapable of cure within such 15-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(c) shall be interpreted to extend the Upset Date.

(d) Upon termination, except as set forth in Section 9.2, neither Seller nor Purchaser shall have any further liability to the other under this Agreement.

9.2. Effect of Termination. In the event of a valid termination of this Agreement pursuant to Section 9.1, this Agreement (other than Section 6.3, Section 6.6, this Section 9.2 and Article X each of which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates nor any of such party's or any of such 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 the Seller to comply with the terms of this Agreement, the Purchaser shall be entitled to an injunction restraining such failure or threatened failure and, subject to the extent applicable to obtaining the FCC Consent, 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 the Purchaser to comply with the terms of this Agreement, the Seller shall be entitled to an injunction restraining such failure or threatened failure to, and enforcement of Section 2.3, Section 6.3, Section 6.4, Section 6.5, Section 6.6, Section 6.8, Section 6.9 and Article X of this Agreement by a decree of specific performance requiring compliance with this Agreement. In the event of a default by either the Purchaser or the 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, by a nationally recognized overnight delivery service, by facsimile transmission 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 the Seller, to:

Gray Television Group, Inc.  
4370 Peachtree Road, NE  
Atlanta, GA 30319-3023  
Attn: General Counsel  
Facsimile No.: 404-261-9607

with a copy (which shall not constitute notice)

to:  
Wiley Rein LLP  
1776 K Street, NW  
Washington, DC 20006  
Attn: Joan Stewart  
Telephone: 202-719-7438  
Facsimile: (202) 719-7049  
Email: JStewart@wileyrein.com

if to the Purchaser or Lockwood, to:

Charlottesville TV LLC  
220 Salters Creek Road  
Hampton, Virginia 23669  
Attn: David A. Hanna, President  
Facsimile: (804) 672-6571

with a copy (which shall not constitute notice)

to:  
Brooks Pierce  
150 Fayetteville Street  
1700 Wells Fargo Capitol Center  
Raleigh, NC 27601  
Attn: Coe W. Ramsey  
Telephone: (919) 839-0300  
Facsimile: (336) 232-9134  
Email: cramsey@brookspierce.com

Any such notice or other communication will be deemed to have been given (a) if personally delivered, when so delivered, against written receipt, (b) if sent by a nationally recognized overnight delivery service when so delivered against written receipt, (c) if given by facsimile transmission 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 (d) 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. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by the Seller or the Purchaser without the prior written consent of the other parties and any purported assignment or delegation in violation hereof shall be null and void except for assignments and transfers by operation of Law); provided, that Purchaser may by written notice to Seller, but without consent of, Seller, assign all or any part of

its rights and obligations hereunder to one or more Affiliates of Purchaser and Purchaser may assign its rights hereunder in whole or in part as security for any financing of the transactions contemplated hereby, provided, that, in either case, any such assignment does not materially delay the processing of the FCC Application, the grant of the FCC Consent or the Closing or conflict with any FCC rules or policies; and provided further, that Purchaser shall not be relieved of any liability pursuant to this Agreement in connection with such assignment. Any such assignee shall promptly deliver to Seller a written assumption of this Agreement. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that after the date of this Agreement, GTGI may merge with and into Gray Media Group, Inc. without need for consent from Purchaser, and thereafter Gray Media Group, Inc. shall assume the obligations of GTGI as a Seller under this Agreement.

10.3. Amendments and Waiver. This Agreement may not be modified or amended except in writing signed by the party or parties against whom enforcement is sought. The terms of this Agreement may be waived only by a written instrument signed by the party or parties waiving compliance. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise provided. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 10.3.

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) 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. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

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.

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

10.7. Representations and Warranties Exclusive. The Purchaser acknowledges and agrees that, in making its decision to purchase the Assets, it is not relying on (a) any information or materials, oral or written, distributed or made available to the Purchaser by any Person prior to the date hereof other than matters set forth in this Agreement, including the Schedules and/or the Operative Agreements or (b) any financial projection, forecast or business plan relating to the Stations. With respect to any projection, forecast or business plan delivered by or on behalf of the Seller to the Purchaser, the Purchaser acknowledges that (i) there are uncertainties inherent in attempting to make such projections, forecasts and plans, (ii) it is familiar with such uncertainties, (iii) it is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections, forecasts and plans so furnished to it, and (iv) it shall have no claim of any kind whatsoever against any Person with respect thereto.

10.8. Neutral Construction. The parties to this Agreement agree that this Agreement was negotiated fairly between them at arms' length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that the party or parties drafted or was more responsible for drafting the provision(s).

10.9. 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.

10.10. Bulk Sales Laws. The parties hereby waive compliance with the bulk sales laws of any state in which the Assets are located or in which operations relating to the Stations are conducted.

10.11. 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” and (f) the word “shall” denotes a directive and obligation, and not an option. 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. Disclosure of information included on any Schedule to this Agreement shall be considered disclosure of such information for all other Schedules, and shall so qualify the applicable representations and warranties to which such other Schedules relate, to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Schedule. In addition, (i) the fact that any disclosure on any Schedule is not required to be disclosed in order to render the applicable representation or warranty to which it relates true, or that the absence of such disclosure on any Schedule would not constitute a breach of such representation or warranty, shall not be deemed or construed to expand the scope of any representation or warranty hereunder or to establish a standard of disclosure in respect of any representation or warranty and (ii) disclosure of a particular matter on any Schedule shall not be construed to mean that such matter is material.

10.12. [Intentionally omitted]

10.13. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.13.

10.14. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or by means of portable document format (pdf) transmission by email) 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

10.15. Non-Recourse. Except as provided in Section 10.16, no past, present or future director, officer, employee, incorporator, member, partner, equity holder, Affiliate, agent, attorney or representative of the Seller or the Purchaser or any of its respective Affiliates shall have any liability for any obligations or liabilities of the Seller or the Purchaser under this Agreement or for any claim (whether in contract or tort, in law or in equity, or based upon any theory that seeks to “pierce the corporate veil” or impose liability of an entity against its owners or Affiliates or otherwise), liability or any other obligation arising under, based on, in respect of, in connection with, or by reason of, this Agreement or the transactions contemplated hereby, including its negotiation and/or execution.

10.16. Guarantor. Lockwood hereby fully, unconditionally and irrevocably guarantees to the Seller Purchaser’s obligations under Section 2.3 of this Agreement, all in accordance with the terms of this Agreement. Lockwood hereby acknowledges that this guaranty shall be a guaranty of payment and performance and not of collection and shall not be conditioned or contingent upon the pursuit of any remedies against the Purchaser and that a separate action may be brought against Lockwood whether or not an action is commenced against Purchaser under this Agreement. Lockwood hereby waives diligence, demand of payment, filing of claims with a court in the event of a merger or bankruptcy of the Purchaser, any right to require a proceeding first against the Purchaser, the benefit of discussion, protest or notice and all demands whatsoever, and covenants that this guaranty will not be discharged as to any obligation except by satisfaction of such obligation in full. Lockwood hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against the Purchaser that arises from the existence, payment, performance or enforcement of its obligations under the guarantee set forth in this Section 10.16, including any right of reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy of the Seller against the Purchaser or any collateral which the Seller hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Purchaser, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim or other rights. To the fullest extent permitted by Law, the obligations of Lockwood hereunder shall not be affected by (a) the failure of a party to assert any claim or demand or to enforce any right or remedy against the Purchaser pursuant to the provisions of this Agreement or otherwise, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement or the invalidity or unenforceability (in whole or in part) of this Agreement, whether or not Lockwood received notice of or consented to the same, and Lockwood waives all need for notice of the same, unless consented to in writing by the Seller and (c) any change in the existence (corporate or otherwise) of the Purchaser or Lockwood or any insolvency, bankruptcy, reorganization or similar proceeding affecting any of them or their assets. Lockwood acknowledges that it will receive direct and indirect benefits from the consummation of the Transactions and that the waivers set forth in this Section 10.16 are knowingly made in contemplation of such benefits. Lockwood has all requisite power and authority to execute and deliver this Agreement and to perform its obligations under this Section 10.16. The execution, delivery and performance by Lockwood of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the governing body of Lockwood to the extent necessary, and no other proceeding or other action on the part of Lockwood is necessary under its organizational documents to authorize this Agreement or the transactions contemplated hereby. This Agreement, upon execution and

delivery, will be a legal, valid, and binding obligation of Lockwood, enforceable against Lockwood in accordance with its terms, except insofar as enforcement may be limited by bankruptcy, insolvency, or other laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

[SIGNATURE PAGE FOLLOWS]

4816-6266-8425

**SIGNATURE PAGE TO ASSET PURCHASE 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.

**GRAY TELEVISION GROUP, INC.**



---

Name: Kevin P. Latek  
Title: Executive Vice President

**GRAY TELEVISION LICENSEE, LLC**



---

Name: Kevin P. Latek  
Title: Executive Vice President

**CHARLOTTESVILLE TV LLC**

---

Name: David A. Hanna  
Title: President

**FOR PURPOSES OF SECTION 10.16 ONLY:**

**LOCKWOOD BROADCASTING, INC.**

---

Name: James L. Lockwood  
Title: Chief Executive Officer

**SIGNATURE PAGE TO ASSET PURCHASE 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.

**GRAY TELEVISION GROUP, INC.**

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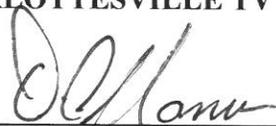
Name: Kevin P. Latek  
Title: Executive Vice President

**GRAY TELEVISION LICENSEE, LLC**

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Name: Kevin P. Latek  
Title: Executive Vice President

**CHARLOTTESVILLE TV LLC**

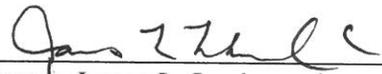


---

Name: David A. Hanna  
Title: President

**FOR PURPOSES OF SECTION 10.16 ONLY:**

**LOCKWOOD BROADCASTING, INC.**



---

Name: James L. Lockwood  
Title: Chief Executive Officer