

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") dated this 21<sup>st</sup> day of December, 2005 (the "Effective Date"), is entered into by and between Sinclair Properties, LLC, a Virginia limited liability company ("Purchaser"), and WDKA Acquisition Corp., a Virginia corporation ("Seller").

### WITNESSETH:

WHEREAS, the Seller owns certain tangible and intangible assets used or useful in the operation of the Station (as defined below) (the "License Assets") related to television broadcast station WDKA-TV, Channel 49, in Paducah, Kentucky (the "Station") (FCC Facility I.D. 39561) and holds the licenses granted by the Federal Communications Commission (the "FCC") pursuant to which the Station is permitted to operate (the "FCC Licenses"); and

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from such Seller, the FCC Licenses and the License Assets; and

WHEREAS, Seller, as Licensee, and Purchaser, as Programmer, are parties to the Time Brokerage Agreement, which they desire to amend to reflect the modifications agreed to herein.

NOW, THEREFORE, for the purpose of consummating the above transaction and in consideration of the promises and mutual covenants herein contained, Seller and Purchaser hereby agree as follows:

## SECTION 1

### DEFINITIONS

As used in this Agreement, capitalized terms shall have the meanings specified in the text hereof or on Annex 1 hereto (which is incorporated herein by reference), which meanings shall be applicable to both the singular and plural forms of the terms defined.

## SECTION 2

### SALE AND PURCHASE

2.1. Agreement to Sell and Purchase. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, Seller hereby agrees to transfer, convey, assign, and deliver to Purchaser, and Purchaser agrees to acquire from Seller all of Seller's right, title, and interest in the FCC Licenses and the License Assets used or useful in the operation of the Station (collectively, the "Assets"), together with any additions thereto between the date of this Agreement and the Closing Date, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, charges, or encumbrances of any nature whatsoever, including (without limitation) the following:

- (a) all of Seller's assignable rights and interest in the FCC Licenses;

(b) the assets relating to the FCC Licenses, including all machinery, equipment, tools or other tangible personal property owned or held by the Seller (or any affiliate thereof) that is used or useful in the operation of the Station;

(c) the Intellectual Property;

(d) all contracts (including leases) to which Seller is a party and which are used or useful in the operation of the Station;

(e) all of Seller's proprietary information, technical information, and data, machinery, and equipment warranties, maps, computer disks and tapes, plans, diagrams, blueprints and schematics, including filings with the FCC, in each case to the extent relating to the Assets;

(f) all choses in action and causes of action of Seller relating to the Assets to the extent they relate to the period after the Closing Date; and

(g) all books and records relating to the Assets, including, all records required by the FCC to be kept by the Station.

2.2. **Excluded Assets.** The Assets shall exclude, without limitation, the following:

(a) Seller's cash, cash equivalents and deposits, all interest payable in connection with any such items and rights in and to bank accounts, marketable and other securities, and similar investments of Seller;

(b) any insurance policies, promissory notes, amounts due to Seller from employees, bonds, letters of credit, certificates of deposit, or other similar items, and any cash surrender value in regard thereto;

(c) any pension, profit sharing, or employee benefit plans, including all of Seller's interest in any company benefit arrangement or company plan;

(d) all tangible personal property disposed of or consumed in the ordinary course of business as permitted by this Agreement;

(e) all tax returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, all of Seller's organizational documents, corporate books and records (including minute books and stock ledgers), and originals of account books of original entry, all records of Seller relating to the sale of the Assets, and all records and documents related to any Assets excluded pursuant to this Section 2.2;

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

(g) all rights of Seller under or pursuant to this Agreement;

(h) all shares of capital stock, partnership interests, interest in limited liability companies or other equity interests, including, but not limited to, any options, warrants, or voting trusts relating thereto which are owned by Seller and which are not part of the Assets;

(i) any sums due as of the Closing Date from Purchaser, as Programmer, to Seller, as Licensee under the Time Brokerage Agreement; and

(i) all other assets of Seller not included in the Assets.

### SECTION 3

#### PURCHASE PRICE

##### 3.1. Payment.

(a) Payment of Purchase Price. In consideration for the sale, transfer, assignment, and delivery of the Assets, Purchaser shall pay to Seller the aggregate amount of One Million Nine Hundred Thousand Dollars (\$1,900,000.00) (the "Purchase Price") of which:

(i) One Million Seven Hundred Ten Thousand Dollars (\$1,710,000.00) (the "Initial Payment") shall be paid by Purchaser to Seller on January 5, 2006 by wire transfer of immediately available United States funds to the accounts specified by Seller;

(ii) One Hundred Ninety Thousand Dollars (\$190,000.00) (the "Closing Payment") shall be payable upon the first to occur of (A) the Closing, (B) a Payment Event, or (C) the Termination Date. Payment, when made, shall be paid by wire transfer of immediately available United States funds to the accounts specified by Seller; and

(b) Initial Payment. Subject to Purchaser's rights to indemnification hereunder, the Initial Payment shall be a non-refundable payment by Purchaser to Seller, regardless of whether the FCC Assignment Application is filed, the Final Order is issued by the FCC and/or received by the Purchaser or if the transaction contemplated hereunder is consummated.

3.2. Assumption of Liabilities and Obligations. As of the Closing Date, Purchaser shall assume and undertake to pay, discharge, and perform as and when due all obligations and liabilities of Seller relating to the Assets, including, but not limited to, obligations and liabilities of Seller under the FCC Licenses and the License Assets specifically provided for herein to the extent that the obligations and liabilities relate to the time after the Closing Date. Purchaser shall not assume any other obligations or liabilities of Seller, including (a) any obligations or liabilities under any contract or asset not included in the Assets, (b) any obligations or liabilities relating to the Assets during the period prior to the Closing Date, (c) any claims or pending litigation or proceedings relating to the Assets prior to the Closing Date, (d) any obligations or liabilities of Seller to any of Seller's employees or under any employment agreement, employee pension, retirement, or other benefit plans, (e) any obligations or liabilities of Seller relating to the Excluded Assets, or (f) any obligations or liabilities for borrowed money.

### SECTION 4

## CLOSING

The closing of the transaction contemplated by this Agreement (the "Closing"), subject to fulfillment or waiver of the conditions set forth in Section 11 hereof, shall be held at the offices of Thomas & Libowitz, P.A., Suite 1100, 100 Light Street, Baltimore, Maryland 21202 at 10:00 A.M. local time (but shall be deemed to have occurred at the close of business on the immediately preceding day) five (5) Business Days after receipt of the Final Order, unless (a) Purchaser elects to close upon receipt of Initial Grant, in which case Purchaser shall give Seller reasonable notice of the Closing, or (b) the parties shall mutually agree upon a different date or location (the actual date of Closing being the "Closing Date").

## SECTION 5

### REPRESENTATIONS AND WARRANTIES OF SELLER

#### 5.1. Representations and Warranties of Seller.

Seller hereby represents and warrants to Purchaser as of the date hereof and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, in which case, such representations and warranties shall be true and complete as of such date and time) as follows:

(a) **Organization and Good Standing.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of Virginia, qualified to do business under the laws of Kentucky and has full power and authority to carry on its business as it is now being conducted and to own and use the assets owned and used by it. Seller is not required to be qualified to transact business in any other jurisdiction. Seller does not own any direct or indirect subsidiaries.

(b) **No Conflicts.** Except as described on Schedule 5.1(b) and subject to any approvals contemplated herein, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the certificate of incorporation and By-Laws of Seller, (ii) violate, in any material respect, any provision of applicable law, rule and regulation, which violation would prevent or interfere with Seller's ability to perform hereunder, or (iii) conflict with or result in a breach of, or give rise to a right of termination of, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material agreement, indenture, mortgage or instrument to which Seller is a party or to which its property is subject, or constitute a default thereunder, except when such conflict, breach, right of termination, acceleration or default would not have a material adverse effect on the business or financial condition of Seller or prevent or materially interfere with Seller's ability to perform hereunder.

(c) **Execution and Effect of the Agreement.** Seller has full corporate power and authority to enter into this Agreement. The consummation of the transactions contemplated hereby has been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid, and

binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity).

(d) **Title, Etc.** Set forth on Schedule 5.1(d) is a complete list of all tangible personal and/or real property owned, leased or licensed by Seller on the date hereof, together with all contracts (including leases) to which Seller is a party. Except as described on Schedule 5.1(d), Seller owns and has good title to the License Assets, and none of the License Assets owned by Seller is subject to any security interests, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, the tangible personal property included in the License Assets are in good operating condition and repair and are available for immediate use by Purchaser in the operation of the Station.

(e) **FCC.** Seller and the Station are in material compliance with the terms of the FCC Licenses, the Communications Act of 1934, as amended, and applicable rules, regulations and policies of the FCC ("FCC Rules and Regulations"). All FCC Licenses, a true and complete list of which is set forth on Schedule 5.1(e), and true and complete copies of each of which have been delivered to Purchaser, are valid and in full force and effect. The FCC Licenses listed on Schedule 5.1(e) comprise all of the material licenses, permits, and other authorizations required from the FCC for the lawful conduct of the business and operations of the Station in the manner and to the full extent as it is now conducted. Except as set forth on Schedule 5.1(e), no application, action or proceeding is pending for the renewal or modification of any of the FCC Licenses, and there is not now before the FCC any investigation, proceeding or complaint against Seller or relating to the FCC Licenses, the unfavorable resolution of which would impair the qualifications of Seller to hold any FCC Licenses. Except as set forth on Schedule 5.1(e), Seller has received no notice of violation from the FCC with respect to the FCC Licenses. Except as set forth on Schedule 5.1(e), Seller has not received any order or notice of violation issued by any governmental entity which permits revocation, adverse modification or termination of any FCC License. Except to the extent that the FCC Application may require the filing of a request to waive certain FCC rules, to Seller's knowledge, there exist no facts or circumstances relating to Seller or any Affiliate of Seller that would prohibit or delay FCC approval of the FCC Application. Except as set forth on Schedule 5.1(e), none of the FCC Licenses are subject to any restriction or condition outside of the ordinary course which requires any material change in the operation of the Station as currently operated. The FCC Licenses listed in Schedule 5.1(e) are currently in effect and, except as disclosed on the Schedules, are not subject to any liens, or other encumbrances. The license renewal application for the Station was timely filed on March 17, 2005 and is still pending. As of the date hereof, Seller has not received any notice or other information to the effect that the FCC would not renew the FCC Licenses in the ordinary course for a full license term without any adverse conditions. As of the date hereof, Seller has not received any notice or other information with respect to Seller or any of its members or its Affiliates to the effect that the FCC would not grant the FCC Application in the ordinary course without any adverse conditions. All documents required by 47 C.F.R. Section 73.3526 to be kept in the Station's public inspection files are in such file, and such file will be maintained in proper order and complete up to and through the Closing Date, except for any such immaterial documents. In the event that the construction of the facilities authorized by the

Station's digital television construction permit (the "CP") described in FCC File No. BPCDT-19991029ACT (the "Digital Station") are not completed in accordance with the terms of the CP, or the FCC does not extend the deadline for construction of the Digital Station other than as a result of Seller's failure to file any necessary FCC applications or filings with respect to its Digital Station or reasonably cooperate in its construction, any consequences, including, but not limited to, revocation, expiration or modification of the CP, shall not constitute a breach of the representations contained in this Section 5.1(e).

(f) **Intellectual Property.** Set forth on Schedule 5.1(f) is a complete list of all Intellectual Property owned by or licensed to Seller on the date hereof and, except as otherwise set forth on Schedule 5.1(f) hereto, Seller owns such Intellectual Property free and clear of any royalty, lien, encumbrance or charge and, to Seller's knowledge, does not interfere with the rights of others. Except as set forth on Schedule 5.1(f), Seller has not received any written notice or written claim that any such Intellectual Property is not valid or enforceable, or of any infringement upon or conflict with any patent, trademark, service mark, copyright or trade name of any third party by Seller. Except as set forth on Schedule 5.1(f), Seller has not given any notice of infringement to any third party with respect to any of the Intellectual Property, and no such infringement exists.

(g) **Compliance with Laws.** Except as set forth on Schedule 5.1(g), Seller is in compliance in all material respects with all applicable Federal, state and local laws, rules and regulations and, to Seller's knowledge, Seller has received no written notice of any action threatened or pending alleging noncompliance therewith.

(h) **Litigation.** Except as set forth on Schedule 5.1(h) hereto, there is no third-party suit, claim, action, proceeding or arbitration relating to Seller's operation of the Station which seeks to enjoin or obtain damages in respect of the transactions contemplated hereby pending or, to Seller's knowledge, threatened against Seller. Seller has not received any citation, order, judgment, writ, injunction, or decree of any court, government, or governmental or administrative agency against or affecting Seller or the FCC Licenses, except as disclosed on Schedule 5.1(h), and except for such FCC orders and other governmental orders, decrees and other actions which apply to the broadcasting industry generally.

(i) **No Brokers.** Except for Richard A. Foreman Associates, Inc. (the "Broker"), Seller has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders fees in connection with the sale of the Assets and the transactions contemplated by this Agreement.

(j) **Consents.** Except for the FCC Application requesting the approval and consent of the FCC to the transaction contemplated by this Agreement, no filing, consent, approval or authorization of any governmental authority or of any third party on the part of any Seller or the Company is required in connection with the execution and delivery of this Agreement by Seller or the consummation by Seller of any of the transactions contemplated hereby (including any consents required under any Company contract as a result of the change in control contemplated hereby).

(k) **Time Brokerage Agreement.** Seller is in material compliance with the terms and conditions of the Time Brokerage Agreement.

## SECTION 6

### **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby represents and warrants to Seller that:

6.1. **Organization and Good Standing.** Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia. Purchaser has full limited liability company authority to carry on its business as it is now being conducted.

6.2. **Execution and Effect of Agreement.** Purchaser has full corporate power and authority to enter into this Agreement. The consummation of the transactions contemplated hereby has been duly authorized by all necessary corporate action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or equity).

6.3. **No Conflicts.** Except as described on Schedule 6.3 hereof, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) violate any of the provisions of the articles of incorporation or by-laws of Purchaser, (b) violate any provision of applicable law, rule or regulation, which violation would prevent or interfere with Purchaser's ability to perform hereunder, or (c) conflict with or result in a breach of, or give rise to a right of termination of, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any agreement, indenture, mortgage or instrument to which Purchaser is a party or to which its property is subject, or constitute a default thereunder, except where such conflict, breach, right of termination, acceleration or default would not have a material adverse effect on the business or financial condition of Purchaser or prevent or materially interfere with Purchaser's ability to perform hereunder.

6.4. **Consents.** Except for the FCC Application, no filing, consent, approval or authorization of any governmental authority or of any third party on the part of Purchaser is required in connection with the execution and delivery of this Agreement by Purchaser or the consummation of any of the transactions contemplated hereby.

6.5. **Litigation.** There is no suit, claim, action, proceeding or arbitration pending or, to Purchaser's knowledge, threatened against Purchaser which seeks to enjoin or obtain damages in respect of the transactions contemplated hereby.

6.6. **No Brokers.** Neither Purchaser nor anyone acting on its behalf has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the purchase of the Assets and the transactions contemplated by this Agreement.

## SECTION 7

## LIMITATION AND SURVIVAL

7.1. **Limitation; Survival.** The representations and warranties herein and the obligations of the parties shall survive the Closing Date for a period of twelve (12) calendar months, except to the extent any claims for indemnification in respect of a breach of any such representation or warranty is made on or before such date, in which case such representation or warranty shall survive until the resolution of such claim.

## **SECTION 8**

### ADDITIONAL COVENANTS AND UNDERTAKINGS

8.1. **Further Assurances and Assistance.** Purchaser and Seller agree that each will execute and deliver to the other any and all documents, in addition to those expressly provided for herein, that may be necessary or appropriate to implement the provisions of this Agreement, whether before, at or after the Closing. The parties agree to cooperate with each other to any extent reasonably required in order to accomplish fully the transactions herein contemplated.

8.2. **Access to Information.** Seller, from and after the date of this Agreement and until the Closing Date, shall (a) give Purchaser and Purchaser's employees and counsel full and complete access upon reasonable notice during normal business hours, to all officers, employees, offices, properties, agreements, records and affairs of Seller relating to the Assets for the limited purpose of reviewing the FCC Licenses and License Assets, and (b) provide copies of such information concerning Seller as Purchaser may reasonably request in writing; provided, however, that the foregoing shall not permit Purchaser or any agent thereof to disrupt the Seller's business.

8.3. **Conduct of Business Prior to Closing.** Except as contemplated by this Agreement from and after the date hereof, Seller shall conduct its business in the ordinary course and in compliance with the Time Brokerage Agreement. Except as contemplated by this Agreement, the Time Brokerage Agreement, or as consented to by Purchaser (which consent Purchaser may withhold for any reason), from and after the date hereof, Seller shall act as follows:

(a) Except for the disposition of obsolete equipment in the ordinary course of business, Seller will not sell, mortgage, pledge or otherwise dispose of any of the Assets owned, leased or used in the operation of its business;

(b) Seller shall maintain the existing insurance policies on the Assets or other policies providing substantially similar coverages;

(c) Seller shall not incur, or agree to incur, any debt for borrowed money;

(d) Seller will not merge or consolidate with, or agree to merge or consolidate with, or purchase or agree to purchase all or substantially all of the assets of, or otherwise acquire, any other business entity;



(e) Seller shall not enter into or renew any contract or commitment relating to the Assets, or incur any obligation that will be binding on Purchaser after Closing without the prior written consent of Purchaser.

(f) Seller shall not enter into any transactions with any Affiliate of Seller that will be binding upon Purchaser following the Closing Date;

In the event that the construction of the Digital Station as authorized by the CP is not completed in accordance with the terms of the CP, or the FCC does not extend the deadline for construction of the Digital Station other than as a result of Seller's failure to file any necessary FCC applications or filings with respect to its Digital Station or reasonably cooperate in the construction of the Digital Station, any consequences, including, but not limited to, revocation, expiration or modification of the CP shall not constitute a breach of the covenants contained in this Section 8.3.

#### 8.4. FCC Application.

(a) Upon no less than ten (10) days prior written notice from Purchaser at any time prior to the Termination Date, but in no event later than December 15, 2010, Purchaser and Seller jointly shall file (or cause to be filed) with the FCC the FCC Application. The parties acknowledge that the FCC Application may involve the preparation and filing of a request to waive any FCC rules that may otherwise prohibit the contemplated transaction (the "Waiver Request"). Counsel to Purchaser, subject to Seller's counsel approval, shall prepare the Waiver Request if such Waiver Request is necessary. The parties shall cooperate with each other in the preparation of the FCC Application and shall in good faith and with due diligence take all reasonable steps necessary to expedite the processing of the FCC Application and to secure such consents or approvals as expeditiously as practicable. Each party will promptly provide the other party with a copy of any pleading, order or other document served on them relating to the FCC Application. If the Closing shall not have occurred for any reason within the initial effective periods of the granting of FCC approval of the FCC Application, and no party shall have terminated this Agreement under Section 13, the parties shall jointly request and use their respective best efforts to obtain one or more extensions of the effective periods of such grants. No party shall knowingly take, or fail to take, any action of which the intent or reasonably anticipated consequence would be to cause the FCC not to grant approval of the FCC Application. In the event the FCC eliminates or changes the present grandfathered status of the existing Time Brokerage Agreement between Purchaser and Seller, and Purchaser provides written notice hereunder requiring the filing of the FCC Application, the parties shall also file a request for a waiver to permit the continued operation of the Time Brokerage Agreement during the pendency of the FCC Application.

(b) Seller shall publish the notices required by the FCC Rules and Regulations relative to the filing of the FCC Application. Copies of all public applications, documents, and papers filed with the FCC after the date hereof and prior to the Closing, or filed after the Closing with respect to the transaction under this Agreement, by Purchaser or Seller shall be mailed to the other simultaneously with the filing of such public applications, documents, and papers with the FCC or as soon as practicable thereafter. Each of Purchaser and Seller shall bear its own costs and expenses (including the fees and disbursements of its counsel) in connection with the preparation of

the portion of the application to be prepared by it and in connection with the processing of that application and all filing and grant fees, if any, paid to the FCC, shall be split equally by Purchaser and Seller. Purchaser and Seller shall oppose any petitions to deny or other objections filed with respect to the FCC Application and any requests for reconsideration or review of the FCC Application; provided, however, that all costs and expenses incurred by Purchaser or Seller to oppose any petitions to deny or other objections, shall be paid by Purchaser if such petition relates primarily to Purchaser, and shall be paid by Seller if such petition relates primarily to Seller. None of the information contained in any filing made by Purchaser or Seller with the FCC with respect to the transaction contemplated by this Agreement shall contain any untrue statement of a material fact.

(c) In the event FCC approval of the FCC Application is not granted by the Termination Date, at which time the Time Brokerage Agreement will expire, or the parties have not obtained an extension of the effective period of the grant of the FCC Application and the Termination Date has passed, the Purchaser and Seller shall use good faith efforts to negotiate and enter into a new agreement with respect to the operation of the Station subsequent to the Termination Date, including, but not limited to, a joint sales agreement, a shared services agreement or other agreement that will comply with FCC rules and policies. The terms of such agreement shall be mutually agreed upon by the parties. In such event, Seller shall be permitted to assign its rights and interest in the FCC Licenses without the prior consent or approval of Purchaser. In the event an agreement is not entered into, the parties shall use good faith efforts to negotiate such agreements as to provide Seller with access to such equipment and facilities to enable it to operate the Station for an agreed upon period of time.

(d) In the event the FCC does not grant approval of the FCC Application, and the Termination Date has not yet occurred, Purchaser (or its assignee) shall have the right to cause a new FCC Application to be filed in accordance with this Section 8.4 as if the FCC Application which was not granted had never been filed.

8.5. **Control of Station.** From the date hereof until the Closing Date, subject to the express provisions of this Agreement and the Time Brokerage Agreement, Purchaser shall not directly or indirectly control, supervise or direct the operation of the Station.

8.6. **Employee Matters.** Purchaser shall have the right, but not the obligation, to hire Seller's employees after the Closing Date. As discussed in Section 3.2, all obligations of Seller to its employees shall remain the Seller's.

8.7. **Digital Build Out and Lease Amendment.** As of the Effective Date, Purchaser, under the ultimate control of Seller, shall complete the construction and/or installation at Purchaser's own expense the facilities in compliance with the terms and conditions of the Station's digital television construction permit (described in FCC File No. BPCDT-19991029ACT) and all other laws, rules, and regulations of the FCC, including, without limitation, any construction deadlines specified in said permit. Seller will file the necessary FCC license application to cover the authorized construction permit by the applicable deadline or request any necessary extensions of that deadline. Purchaser and Seller agree to amend the existing equipment lease between them to include Seller's right to use the digital equipment.

Purchaser shall at all times retain title to all of the digital equipment, including the STA-related DTV Equipment acquired by Seller before the Effective Date, which equipment will be transferred to Purchaser upon payment of the Initial Payment.

8.8 **Updated Schedules.** Seller shall promptly disclose in writing to Purchaser, and Purchaser shall promptly disclose in writing to Seller, any information contained in its respective representations and warranties or any of the Schedules hereto which, because of an event occurring after the date of this Agreement which event does not result from or otherwise constitute a breach of any provision of this Agreement, is incomplete or is no longer correct as of all times after the date of this Agreement and until the Closing Date. Any such disclosure shall be in the form of an updated Schedule, marked to reflect the new or amended information. In the event that Seller or Purchaser makes any such disclosure prior to the Closing and the Closing occurs, such disclosure shall be deemed to amend and supplement the representations and warranties and the applicable Schedule hereto, and in such event neither Purchaser nor Seller, as the case may be, shall have the right to be indemnified for any matter contained in such disclosure.

## SECTION 9

### **INDEMNIFICATION**

#### 9.1. **Indemnification of Purchaser by Seller.**

(a) Subject to Section 9.3 hereof, Seller shall indemnify and hold Purchaser harmless from and against any and all Losses, howsoever incurred, which arise out of or result from:

- (i) any breach of any representation or warranty of Seller set forth in Section 5.1 of this Agreement;
- (ii) the material failure by Seller to perform any covenant of Seller contained herein; or
- (iii) breaches of any agreement or document delivered in connection with the Closing.

9.2. **Indemnification of Seller by Purchaser.** Subject to Section 9.3 hereof, Purchaser shall indemnify and hold Seller harmless from and against any and all Losses, howsoever incurred, which arise out of or result from:

- (a) any breach by Purchaser of any representation or warranty of Purchaser set forth in Section 6 of this Agreement;
- (b) the material failure by Purchaser to perform any covenant of Purchaser contained herein including, without limitation, its obligation to construct the digital facility pursuant to Section 8.7 of this Agreement; or

(c) breaches of any agreement or document delivered in connection with the Closing.

9.3. **Limitations and Other Provisions Regarding Indemnification Obligations.**

(a) In determining the amount of any Losses for which indemnification is provided under this Agreement, such Losses shall be (i) net of any insurance recovery made by the indemnified party, (ii) reduced to take into account any net Tax benefit realized by the indemnified party arising from the deductibility of such Losses, and (iii) increased to take account of any net Tax cost incurred by the indemnified party arising from the receipt of indemnification payments hereunder. Any indemnification payment hereunder shall initially be made without regard to this paragraph and shall be reduced to reflect any net Tax benefit or increased to reflect any net Tax cost only after the indemnified party has actually realized such Tax benefit or cost. For purposes of this Agreement, an indemnified party shall be deemed to have "actually realized" a net Tax benefit or net Tax cost to the extent that, and at such time as, the amount of Taxes payable by such indemnified party is (x) reduced below the amount of Taxes that such indemnified party would have been required to pay but for the deductibility of such Tax or Loss, and (y) increased above the amount of Taxes that such indemnified party would have been required to pay but for the receipt of such indemnification payments. The amount of any reduction hereunder shall be adjusted to reflect any final determination (which shall include the execution of Form 870-AD or successor form) with respect to the indemnified party's liability for Taxes. Any indemnity payments under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes, unless a final determination with respect to the indemnified party or any of its affiliates causes any such payment not to be treated as an adjustment to the Purchase Price.

(b) No claim for indemnification for Losses shall be made or available after the first anniversary of the Closing Date (except to the extent of any claims made on or before such first anniversary).

(c) No indemnification shall be required to be made by an indemnifying party until the amount of losses of an indemnified party exceeds Fifty Thousand and 00/100 Dollars (\$50,000.00), at which time the indemnified party shall be entitled to indemnification for the amount of such damages in excess of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00). In no event will either party be liable to the other party for damages in excess of the Purchase Price.

(d) Notwithstanding anything to the contrary, Seller shall not be liable to Purchaser for damages as a result of loss of opportunities; provided that Purchaser may claim actual damages.

(e) Notwithstanding anything contained herein to the contrary, the indemnifying party shall not be required to indemnify the indemnified party until a "final determination" of a claim is made. A claim shall be deemed "finally determined" upon either (i) the entry of a judgment by a court of final authority and the time for appeal having expired with no appeal having been taken, or (ii) the execution and delivery of a final and binding settlement agreement signed by both

the indemnifying party and the indemnified party pursuant to which they agree that the claim is finally resolved.

(f) Indemnification pursuant to this Section 9 shall be the sole and exclusive remedy of each party hereto after the Closing Date with respect to any Losses relating to or arising out of any breaches of any representations and warranties, or any covenant or agreement set forth in this Agreement or any certificate delivered pursuant to or in connection with this Agreement, notwithstanding that indemnification may not be available and shall be in lieu of any and all other rights and remedies after the Closing Date, whether asserted as claims for breach of contract, tort claims, actions in equity or otherwise.

(g) The terms and conditions of Section 9.3(a) through (f) shall not be deemed to limit any rights or remedies Purchaser may have under the Time Brokerage Agreement.

#### 9.4. Notice of Claim /Defense of Action.

(a) An indemnified party shall promptly give the indemnifying part(ies) written notice of any matter which an indemnified party has determined has given or could give rise to a right of indemnification under this Agreement, stating the nature and, if known, the amount of the Losses, and method of computation thereof, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such right to indemnification is claimed or arises; provided that the failure of any party to give written notice promptly as required in this Section 9.4 shall not relieve any indemnifying party of its indemnification obligations except to the extent that such failure materially prejudices the rights of such indemnifying party. The indemnified party shall give continuing written notice promptly thereafter of all developments coming to the indemnified party's attention materially affecting any matter relating to any indemnification claims.

(b) The obligations and liabilities of an indemnifying party under this Section 9 with respect to Losses arising from claims of any third party that are subject to the indemnification provided for in this Section 9, shall be governed by and contingent upon the following additional terms and conditions:

(i) With respect to third party claims, promptly after receipt by an indemnified party of written notice of the commencement of any action or the presentation or other assertion of any claim which could result in any indemnification claim pursuant to Section 9.1 or 9.2 hereof, such indemnified party shall give prompt written notice thereof to the indemnifying party(ies) and the indemnifying party(ies) shall be entitled to participate therein or, to the extent that it shall wish, assume the defense thereof with its own counsel.

(ii) If the indemnifying party(ies) elects to assume the defense of any such action or claim, the indemnifying party(ies) shall not be liable to the indemnified party for any fees of other counsel or any other expenses, in each case incurred by such indemnified party in connection with the defense thereof.

(iii) The indemnifying party(ies) shall be authorized, without consent of the indemnified party being required, to settle or compromise any such action or claim, provided that such settlement or compromise includes an unconditional release of the indemnified party from all liability arising out of such action or claim.

(iv) Whether or not an indemnifying party(ies) elects to assume the defense of any action or claim, the indemnifying party(ies) shall not be liable for any compromise or settlement of any such action or claim effected without its consent, such consent not to be unreasonably withheld or delayed.

(v) The parties agree to cooperate to the fullest extent possible in connection with any claim for which indemnification is or may be sought under this Agreement, including, without limitation, making available all witnesses, pertinent records, materials and information in its possession or under its control relating thereto as is reasonably requested by the other party.

## SECTION 10

### CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PARTIES TO CLOSE

10.1. Conditions Precedent to the Obligation of Purchaser. The obligation of Purchaser to consummate the Closing is subject to the fulfillment or waiver, on or prior to the Closing Date, of each of the following conditions precedent:

(a) Seller shall have complied in all material respects with its agreements and covenants contained herein to be performed at or prior to the Closing, and the representations and warranties of Seller contained herein shall be true and correct in all material respects on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except that representations and warranties that were made as of a specified date shall continue on the Closing Date to have been true as of the specified date, and Purchaser shall have received a certificate from Seller, dated as of the Closing Date, certifying as to the fulfillment of the conditions set forth in this Section 10.1(a) ("Seller's Bring-Down Certificate").

(b) No statute, rule or regulation, or order of any court or administrative agency shall be in effect which restrains or prohibits Purchaser from consummating the transactions contemplated hereby and no action or proceeding shall be pending wherein an unfavorable ruling would affect any right to own the Assets.

(c) The issuance by the FCC of a Final Order approving the application for assignment of the FCC Licenses contemplated by this Agreement shall have occurred. There shall have been duly satisfied and performed on or prior to the Closing Date all the material conditions contained in the Final Order required to be so satisfied; provided, however, that Purchaser, in its sole discretion, may waive the necessity of a "Final Grant" by the FCC and close following an "Initial Grant".

(d) Seller shall have delivered to Purchaser at the Closing each document required by Section 11.1 hereof.

(e) Seller shall be in compliance with the material terms and conditions of the Time Brokerage Agreement.

10.2. **Conditions Precedent to the Obligation of Seller.** The obligation of Seller to consummate the Closing is subject to the fulfillment or waiver, on or prior to the Closing Date, of each of the following conditions precedent:

(a) Purchaser shall have complied in all material respects with its agreements and covenants contained herein to be performed at or prior to the Closing, and the representations and warranties of Purchaser contained herein shall be true and correct in all material respects on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except that representations and warranties that were made as of a specified date shall continue on the Closing Date to have been true as of the specified date, and Seller shall have received a certificate of Purchaser, dated as of the Closing Date and signed by an officer of Purchaser, certifying as to the fulfillment of the condition set forth in this Section 10.2(a) ("Purchaser's Bring-Down Certificate").

(b) No statute, rule or regulation or order of any court or administrative agency shall be in effect which restrains or prohibits Seller from consummating the transactions contemplated hereby.

(c) Initial Grant of the FCC Application shall have occurred.

(d) Purchaser shall be in compliance with the material terms and conditions of the Time Brokerage Agreement.

(e) Purchaser shall have delivered to Seller at the Closing the Purchase Price and each document required by Section 11.2 hereof.

## SECTION 11

### **DELIVERIES AT THE CLOSING**

11.1. **Deliveries by Seller.** At the Closing, Seller will deliver or cause to be delivered to Purchaser:

(a) Seller's Bring-Down Certificate;

(b) the legal opinion of Smithwick & Belendiuk, counsel to Seller, substantially in the form attached as Schedule 11.1(b) hereto;

(c) a certificate as to the existence and good standing of the Company issued by the Office of the Clerk of the State Corporation Commission of the Commonwealth of Virginia dated shortly before the Closing Date;

- (d) receipt for the Closing Payment;
- (e) termination of the Time Brokerage Agreement duly executed by Seller; and
- (f) such other documents as Purchaser shall reasonably request.

11.2. **Deliveries by Purchaser.** At the Closing, Purchaser shall deliver or cause to be delivered to Purchaser:

- (a) Purchaser's Bring-Down Certificate;
  - (b) to the extent not already paid to Seller in accord with Sections 3.1 the Closing Payment as required pursuant to Section 3.1(a)(ii) hereof;
  - (c) certificates as to the existence and good standing of the Purchaser issued by the Commonwealth of Virginia;
  - (d) termination of the Time Brokerage Agreement duly executed by Purchaser;
- and
- (e) such other documents Seller shall reasonably request.

## SECTION 12

### **EXPENSES**

12.1. **Expenses.** Each party will pay its own fees, expenses, and disbursements and those of its counsel in connection with the subject matter of this Agreement (including the negotiations with respect hereto and the preparation of any documents) and all other costs and expenses incurred by it in the performance and compliance with all conditions and obligations to be performed by it pursuant to this Agreement or as contemplated hereby, except as may be otherwise provided in Section 9. All payments to the Broker will be the responsibility of Seller.

## SECTION 13

### **TERMINATION**

13.1 **Termination.** This Agreement may be terminated:

- (a) at any time by mutual written consent of Purchaser and Seller;
- (b) by either Purchaser or Seller, if the terminating party is not in default or breach in any material respect of its or their obligations under this Agreement, if the Closing



hereunder has not taken place prior to the Termination Date unless such date is extended by the parties due to the anticipated approval of the FCC Application;

(c) by Seller, if Seller is not in default or breach in any material respect of its obligations under this Agreement, if all of the conditions in Section 10.2 have not been satisfied or waived by the date scheduled for the Closing;

(d) by Purchaser, if Purchaser is not in default or breach in any material respect of its obligations under this Agreement, if all of the conditions in Section 10.1 have not been satisfied or waived by the date scheduled for the Closing; or

### 13.2 Procedure and Effect of Termination.

(a) In the event of termination of this Agreement by either or both Purchaser and/or Seller pursuant to Section 13.1 hereof, prompt written notice thereof shall forthwith be given to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned without further action by any of the parties hereto, but subject to and without limiting any other rights of the parties specified herein in the event a party is in default or breach in any material respect of its obligations under this Agreement. If this Agreement is terminated as provided herein, all filings, applications and other submissions relating to the transactions contemplated hereby as to which termination has occurred shall, to the extent practicable, be withdrawn from the agency or other Person to which such filing is made.

(b) If this Agreement is terminated by Purchaser pursuant to Section 13.1(d) and/or Seller shall be in breach in any material respect of its representations, warranties, covenants, agreements, or obligations set forth in this Agreement, which breach has not been cured by Seller within thirty (30) days after notice to Seller by Purchaser, then and in that event, in recognition of the unique character of the property to be sold hereunder, and the damages which Purchaser will suffer in the event of a termination of this Agreement caused by a breach by Seller, Purchaser shall have the right to pursue all remedies available hereunder at law or in equity, including, without limitation, the right to seek specific performance and/or monetary damages (including, without limitation, the return of the Initial Payment). Seller hereby waives any defense that Purchaser has an adequate remedy at law for such breach of this Agreement by Seller.

(c) If this Agreement is terminated by either party pursuant to Section 13.1(b), then and in that event, Purchaser shall be entitled to retain the unpaid portion of the Purchase Price but shall not be entitled to any refund of the Initial Payment.

(d) If this Agreement is terminated by Seller pursuant to Section 13.1(c), then in that event, Purchaser should not be entitled to any refund of the Initial Payment and Seller shall be entitled to receive the unpaid portion of the Purchase Price as liquidated damages.

(e) In the event of a default by either party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses, whether incurred in arbitration, at trial, or on appeal.

(f) Without limiting the generality of the foregoing, neither the Purchaser on one hand, nor the Seller, on the other hand, may rely on the failure of any condition precedent set forth in Sections 10.1 or 10.2 to be satisfied as a ground for termination of this Agreement by such party, if such failure was caused by such party's failure to act in good faith, or a breach of or failure to perform its representations, warranties, covenants or other obligations in accordance with the terms hereof.

## SECTION 14

### NOTICES

14.1. All notices, requests, consents, payments, demands, and other communications required or contemplated under this Agreement shall be in writing and (a) personally delivered or sent via telecopy (receipt confirmed and followed promptly by delivery of the original), or (b) sent by Federal Express or other nationally recognized overnight delivery service (for next Business Day delivery), shipping prepaid, as follows:

If to Purchaser to:

Mr. David Smith  
Chief Executive Officer  
Sinclair Properties, LLP.  
10706 Beaver Dam Road  
Cockeysville, Maryland 21030  
Telephone: (410) 467-5005  
Fax: (410) 467-5043

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

Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, Maryland 21030  
Attn: General Counsel  
Telephone: (410) 568-1524  
Fax: (410) 568-1537

If to Seller to:

WDKA Acquisition Corp.  
20230 Harbour Ridge  
Smithfield, Virginia 23430  
Attn: Paul T. Lucci  
Telephone: (757) 287-7285  
Fax: (888) 826-7133

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

Smithwick & Belendiuk  
5028 Wisconsin Ave. N.W.  
Washington, DC 20016  
Attn: Arthur Belendiuk  
Telephone: (202) 363-4559  
Fax: (202) 363-4266

or to such other Persons or addresses as any Person may request by notice given as aforesaid. Notices shall be deemed given and received at the time of personal delivery or completed telecopying, or, if sent by Federal Express or such other overnight delivery service one Business Day after such sending.

## SECTION 15

### MISCELLANEOUS

15.1. **Headings.** The headings contained in this Agreement (including, but not limited to, the titles of the Schedules hereto) have been inserted for the convenience of reference only, and neither such headings nor the placement of any term hereof under any particular heading shall in any way restrict or modify any of the terms or provisions hereof. Terms used in the singular shall be read in the plural, and vice versa, and terms used in the masculine gender shall be read in the feminine or neuter gender when the context so requires.

15.2. **Schedules and Exhibits.** All Schedules attached to this Agreement constitute an integral part of this Agreement as if fully rewritten herein.

15.3. **Execution in Counterparts.** This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

15.4. **Entire Agreement.** This Agreement, Schedules, and other documents to be delivered hereunder and thereunder constitute the entire understanding and agreement between the parties hereto concerning the subject matter hereof. All negotiations and writings between the parties hereto are merged into this Agreement, and there are no representations, warranties, covenants, understandings, or agreements, oral or otherwise, in relation thereto between the parties other than those incorporated herein or to be delivered hereunder.

15.5. **Governing Law.** This Agreement is to be delivered in and should be construed in accordance with and governed by the laws of the State of New York without giving effect to conflict of laws principles.

15.6. **Modification.** This Agreement cannot be modified or amended except in writing signed by each of the Purchaser and Seller.

15.7. **Successors and Assigns.** Neither this Agreement nor any of the rights and obligations hereunder shall be assigned, delegated, sold, transferred, sublicensed, or otherwise disposed of by operation of law or otherwise, without the prior written consent of each of the other parties hereto; provided, however, that Purchaser may freely assign its rights and obligations hereunder to another Person, upon prior written notice to Seller, but without the consent of Seller so long as Sinclair Properties, LLC is not relieved of its obligations hereunder. In the event of such permitted assignment or other transfer, all of the rights, obligations, liabilities, and other terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against, the respective successors and assigns of the parties hereto, whether so expressed or not.

15.8. **Waiver.** Any waiver of any provision hereof (or in any related document or instrument) shall not be effective unless made expressly and in a writing executed in the name of the party sought to be charged. The failure of any party to insist, in any one or more instances, on performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant, or condition, but the obligations of the parties with respect hereto shall continue in full force and effect.

15.9. **Severability.** The intent of the parties hereto is to comply with all FCC rules and policies. The provisions of this Agreement shall be deemed severable, and if any part of any provision is held to be illegal, void, voidable, invalid, nonbinding or unenforceable in its entirety or partially or as to any party, for any reason, such provision may be changed, consistent with the intent of the parties hereto, to the extent reasonably necessary to make the provision, as so changed, legal, valid, binding, and enforceable. If any provision of this Agreement is held to be illegal, void, voidable, invalid, nonbinding or unenforceable in its entirety or partially or as to any party, for any reason, and if such provision cannot be changed consistent with the intent of the parties hereto to make it fully legal, valid, binding and enforceable, then such provisions shall be stricken from this Agreement, and the remaining provisions of this Agreement shall not in any way be affected or impaired, but shall remain in full force and effect.

15.10. **Announcements.** From the date of this Agreement, all public announcements relating to this Agreement or the transactions contemplated hereby will be made only as agreed upon jointly by the parties hereto, except that nothing herein shall prevent Seller, Purchaser, or any Affiliate of either from making any disclosure in connection with the transactions contemplated by this Agreement if (and to the extent) required by applicable law as a result of its, or its Affiliate's, being a public company, provided that prior notice of such disclosure is given to the other party hereto.

15.11. **Specific Performance.** Seller acknowledges that Purchaser will have no adequate remedy at law if Seller fails to perform its obligation to consummate the sale of the Assets contemplated under this Agreement. In such event, Purchaser shall have the right, in addition to any other rights or remedies it may have, to specific performance of this Agreement.

15.12. **Third Party Beneficiaries.** Nothing expressed or referred to in this Agreement shall be construed to give any Person other than the parties to this Agreement any legal or

equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

15.13. **Interpretation.** The Purchaser and Seller acknowledge and agree that the preparation and drafting of this Agreement and Schedules hereto are the result of the efforts of all parties to this Agreement and every covenant, term, and provision of this Agreement shall be construed according to its fair meaning and shall not be construed against any particular party as the drafter of such covenant, term, and/or provision.

**[SIGNATURE PAGE TO FOLLOW –  
PAGE LEFT INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the date and year first written above.

PURCHASER:

SELLER:

SINCLAIR PROPERTIES, LLC

WDKA ACQUISITION CORP.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: Paul Lucci

Title: President

## ANNEX 1

### DEFINITIONS

As used in the attached Asset Purchase Agreement, the following terms shall have the corresponding meaning set forth below:

“Affiliate” of, or a Person “Affiliated” with, a specified Person, means a Person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

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

“Assets” has the meaning set forth in Section 2.1.

“Broker” has the meaning set forth in Section 5.1(i)

“Business Day” means any day on which banks in New York City are open for business.

“Closing” has the meaning set forth in Section 4 of the Agreement.

“Closing Date” has the meaning set forth in Section 4 of the Agreement.

“Effective Date” has the meaning set forth in the Preamble to this Agreement.

“FCC” has the meaning set forth in the recitals to the Agreement.

“FCC Application” means the applications requesting the approval and consent of the FCC to the assignment of the FCC Licenses from Seller to Purchaser.

“FCC Licenses” has the meaning set forth in the Recitals of the Agreement.

“FCC Rules and Regulations” has the meaning set forth in Section 5.1(e) of the Agreement.

“Final Order” means consent by the FCC as to which no further steps (including those of appeal or certiorari) can be taken in any action or proceeding to review, modify or set the determination aside, whether under Section 402 or 405 of the Communications Act, or otherwise.

“Initial Grant” means the date of the publication of the FCC “Public Notice” announcing the grant of the “Assignment Applications” for the FCC License to be transferred hereunder which contain no conditions materially adverse to Purchaser. The term “Public Notice” and “Assignment Applications” have the same meaning herein as are generally given the same under existing FCC rules, regulation and procedures.

"Initial Payment" has the meaning set forth in Section 3.1(a) of this Agreement.

"Intellectual Property" means all copyrights, trademarks, trade names, service marks, service names, call letters, domain names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by Seller or under which Seller is licensed or franchised and that are used or useful in the operations of the Station, together with any additions thereto between the date of this Agreement and the Closing Date.

"License Assets" has the meaning set forth in the recitals.

"Losses" means any loss, liability, damage, cost or expense (including, without limitation, reasonable attorneys' fees and expenses, but excluding incidental or consequential damages) determined in each case on an after-tax, after-insurance coverage basis in accordance with Section 9.3(a) hereof.

"Payment Event" means the occurrence of any of the following events: (a) termination of the Time Brokerage Agreement by Purchaser or its Affiliate other than for Seller's breach of the terms and conditions of the Time Brokerage Agreement; (b) the sale by SBG (or an Affiliate thereof) of television broadcast station KBSI-TV located in the Paducah-Cape Girardeau-Harrisburg-Mount Vernon market; (c) the acquisition by a Person of substantially all of the assets of SBG and its direct and indirect subsidiaries; (d) the closing of a transaction in which a Person acquires issued and outstanding stock of SBG representing fifty percent (50%) or more of the voting control of SBG; (e) a filing by SBG for protection under the United States bankruptcy laws; (f) the effectiveness of a filing by SBG under the Securities and Exchange Act of 1934 for the de-registration of the publicly traded shares of SBG; (g) a breach by SBG or its Affiliate of the terms and conditions of the Time Brokerage Agreement, which breach is not cured pursuant to the terms and conditions of the Time Brokerage Agreement.

"Permitted Encumbrances" means (a) encumbrances of a landlord or other statutory lien not yet due and payable or landlord's liens arising in the ordinary course of business; (b) encumbrances for taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Seller's books in accordance with generally accepted accounting principals; or (c) encumbrances that do not materially detract from the value of any of the Assets or material to interfere with the use thereof as currently used.

"Person" means a natural person, a governmental entity, agency or representative (at any level of government), a corporation, partnership, joint venture, limited liability company, or other entity or association as the context requires.



"Purchase Price" has the meaning set forth in Section 3.1 of the Agreement.

"Purchaser" has the meaning set forth in the preamble to the Agreement.

"Purchaser's Bring-Down Certificate" has the meaning set forth in Section 11.2(a) of the Agreement.

"SBG" means Sinclair Broadcast Group, Inc.

"Seller" has the meaning set forth in the preamble to the Agreement.

"Seller's Bring-Down Certificate" has the meaning set forth in Section 11.1(a) of this Agreement.

"Seller's Knowledge" means the knowledge of Paul Lucci, after reasonable inquiry.

"Station" has the meaning set forth in the recitals to the Agreement.

"Termination Date" means 12:00 midnight on January 15, 2011 unless such date is extended upon the mutual agreement of the Seller and Purchaser.

"Time Brokerage Agreement" means that agreement dated as of December 15, 1995 by and between Seller and Max Media Properties LLC, as amended by that certain First Amendment to Time Brokerage Agreement dated July 3, 1998 by and between Seller and Max Media Properties, LLC, as amended by that certain Second Amendment to Time Brokerage Agreement, dated August 20th, 1998, and as amended by that certain Third Amendment to Time Brokerage Agreement of even date with this Agreement, and as such Time Brokerage Agreement may be further amended from time to time.

## Schedule 5.1(e)

**CURRENT FCC LICENSE AND RENEWAL AUTHORIZATIONS**  
**WDKA(TV) AND ASSOCIATED AUXILIARY STATIONS**  
*Licensee: WDKA Acquisition Corporation*

Main Station WDKA(TV), Paducah, Kentucky  
Facility ID No. 39561

Type of Authorization	Call Sign	FCC File Number	Grant Date	Current Expiration Date
License Renewal	WDKA(TV) and associated auxiliaries	BRC DT-20130506ACG	09/30/2013	08/01/2021
Digital Television License	WDKA(TV)	BLCD T-20100216ADH	04/07/2011	08/01/2021

Broadcast Auxiliary Stations Associated with  
Main Station WDKA(TV), Paducah, Kentucky  
Facility ID No. 39561

Type of Authorization	Call Sign
TV Intercity Relay	WPNG802
TV Intercity Relay	WPNG803
TV Intercity Relay	WPNG804
Studio Transmitter Link	WPNG805

Earth Station Associated with  
Main Station WDKA(TV), Paducah, Kentucky  
Facility ID No. 39561

Type of Authorization	Call Sign	Expiration Date
NONE		