

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (the “Agreement”) is made and entered into as of October 30, 2018 (the “Effective Date”), by and among Quincy Media, Inc., an Illinois corporation (“Buyer”), and WSIL-TV, Inc., an Illinois corporation (“Seller”). Buyer and Seller are each referred to herein as a “Party” and collectively as the “Parties.”

### **RECITALS:**

WHEREAS, Seller holds licenses and other authorizations from the Federal Communications Commission (the “FCC”) for commercial digital television stations WSIL-TV, Harrisburg, IL (FCC Facility ID Number 73999), satellite station KPOB-TV, Poplar Bluff, MO (FCC Facility ID Number 73998), and digital television translator station K10KM-D, Cape Girardeau, MO (collectively, the “Station”), and Seller owns, leases, licenses or has the contractual right to all of the other tangible and intangible assets used or held for use in connection with the operation of the Station; and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the FCC licenses and other tangible and intangible assets and properties used or held for use in the business and operation of the Station;

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

### **SECTION 1: SALE AND PURCHASE**

#### **1.1 Transfer of Station Assets and Assumption of Liabilities.**

(a) Subject to the provisions of this Agreement, Seller agrees to convey, transfer, assign and deliver to Buyer, and Buyer agrees to acquire and accept from Seller, on the Closing Date (as defined in Section 1.3 hereof), free and clear of all liens, deeds of trust, security interests, pledges and encumbrances of any kind or type whatsoever (collectively, “Liens”), other than Permitted Liens (as defined in Section 2.5 hereof), all assets, properties, interests and rights of Seller used or held for use in connection with the operation of the Station and any replacements of or additions to such assets made between the Effective Date and the Closing (collectively, the “Station Assets”), but excluding the Excluded Assets (as defined in Section 1.1(b)). The Station Assets shall include, without limitation, the following:

(i) All of Seller’s tangible personal property and physical assets used or held for use primarily in connection with the business and operation of the Station, including, without limitation, all towers, antenna, transmitters, transmission lines, auxiliary generators, ancillary equipment, studio equipment, racks, spare parts, maintenance tools, auxiliary broadcast equipment (including both transmit and receive ends), vehicles, vehicle trailers, inventory, fixtures, and other tangible property and equipment, the material items of which are set forth on Schedule 1.1(a)(i) hereto (collectively, the “Tangible Assets”);

(ii) All of Seller's right, title and interest in and to the real property interests (A) owned by Seller (the "Owned Real Estate"), or (B) leased, subleased, licensed or otherwise occupied by Seller (the "Leased Real Estate") (in the case of both (A) and (B) above, including any appurtenant easements, building, structures, fixtures and other improvements located thereon), that is used by Seller in connection with the business and operations of the Station, including the Owned Real Estate and Leased Real Estate listed on Schedule 1.1(a)(ii)(A) and Schedule 1.1(a)(ii)(B), respectively (collectively, the "Real Estate");

(iii) All licenses and other authorizations issued by the FCC to Seller (the "Licenses"), as well as other approvals, certificates, permits, antenna structure registrations and other authorizations, including renewals or modifications thereof between the Effective Date and Closing, issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to Seller used primarily in connection with the conduct of the business and operation of the Station, including, but not limited to, the Licenses set forth on Schedule 1.1(a)(iii) hereto, and all assignable pending applications before the FCC or any other governmental authority for any renewal or modification of the foregoing;

(iv) All engineering and other books, papers, files, correspondence and records pertaining to the operations of the Station, including the log books, FCC-required public inspection and political files, and copies of all filings and correspondence with the FCC which are in the possession of Seller; provided, that Seller may retain copies thereof (collectively, the "Books and Records");

(v) The following contracts, commitments, agreements, leases, licenses, understanding and obligations used or held for use in connection with operating the Station (each a "Station Agreement" and, collectively, the "Station Agreements");

(A) All equipment leases, real estate leases, network affiliation agreements (including any and all agreements related thereto, such as side letters, fee letters, term sheets, news participation agreements, and "over the top" (OTT) or similar carriage agreements), syndication agreements, programming agreements, retransmission consent agreements, and other contracts, including, but not limited to, such agreements that Seller reasonably expects to result in payment or receipts in excess of \$20,000 annually which are identified on Schedule 1.1(a)(v)(A), together with Station contracts and agreements made in the ordinary course of business between the date of this Agreement and Closing subject to Section 4.3(n) below (certain of which will require the consent of one or more third parties in order for such contracts to be assigned and transferred by Seller to Buyer, with those consents hereinafter referred to as the "Consents");

(B) All agreements for the sale of advertising time on the Station for cash, billed at rates consistent with Seller's past practices; and

(C) All agreements for the sale of advertising time on the Station at rates then charged to unaffiliated third parties consistent with Seller's past practices in exchange for merchandise or services (the "Trade Agreements"), including, but not limited to,

such Trade Agreements that Seller reasonably expects to result in obligations or benefits in excess of \$20,000 annually which are identified on Schedule 1.1(a)(v)(C).

(vi) All of Seller's rights in and to intellectual property used or held for use in the business or operation of the Station (the "Intangible Property"), including without limitation, all internet domain names, websites, social media sites and accounts, the content located and publicly accessible from such domain names and websites and social media sites, "visitor" email databases, customer and suppliers lists, pricing and cost information, business and marketing plans and proposals, software, trade names, logos, trademarks, service marks, patents, copyrights, programs, programming materials, slogans, jingles, the Station's call letters, including common law rights, and any and all registrations, pending registrations, and applications for registration of any trade name, logo, trademark, or service mark under federal or state law identified on Schedule 1.1(a)(vi);

(vii) All of Seller's rights, claims, causes of action or rights of setoff against third parties relating to the Station Assets, including unliquidated rights under assignable manufacturers' and vendors' warranties ("Third Party Claims"), in each case only to the extent that such access to or invocation of such Third Party Claims are necessary for Buyer's use of the Station Assets or operation of the Station and relate to the period from and after Closing (and subject to any prorations that may be warranted under Section 1.6 hereof);

(viii) All deposits, reserves and prepaid expenses relating to the Station Assets and prepaid taxes relating to the Station Assets, pro-rated as of Closing under Section 1.6 hereof; and

(ix) All of Seller's keys, passcards, and other similar items necessary to access or operate any of the Station Assets.

(b) Notwithstanding anything in this Agreement to the contrary, the Station Assets shall not include the following property (the "Excluded Assets"):

(i) All cash, cash equivalents, and securities of Seller, including, but not limited to, tax deposits, marketable securities, money market instruments, unprocessed checks, savings and other deposits (other than those conveyed to Buyer under Section 1.1(a)(viii) hereof) and certificates of deposit, on hand or in accounts as of the Closing Date;

(ii) Seller's corporate name and company records, including minutes of meetings of the board of directors, and such other records relating exclusively to Seller's organization or capitalization;

(iii) Any insurance policies and contracts of insurance, and proceeds therefrom, except as provided for in Section 8.4;

(iv) Any assets of any pension, profit sharing, or employee benefit plans, including Seller's interest in any welfare plan, pension plan, or benefit arrangement;

(v) 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 records of Seller relating to the sale of the Station Assets, and duplicate copies of the books and records necessary to enable Seller to file tax returns and reports, and all records not relating to the operation of the Station;

(vi) Any interest in and to any refunds or overpayments of federal, state or local franchise, income, or other taxes for all periods prior to the Closing Date;

(vii) Other than the Station Agreements, any contract, lease, or agreement of Seller or its affiliates;

(viii) All property within the Station Assets disposed of or consumed in the ordinary course of business consistent with the past practices of Seller, and the terms and conditions of this Agreement, between the Effective Date and the Closing Date;

(ix) All intercompany debts and other obligations due to the Seller from any affiliates of the Seller;

(x) Any of the rights of Seller under this Agreement and the other agreements, certificates and documents delivered in connection herewith; and

(xi) The Station's accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to Closing or otherwise arising during or attributable to any period prior to Closing (the "A/R").

(c) Effective as of 12:00:01 am on the Closing Date (the "Effective Time"), Buyer shall assume all of Seller's obligations and liabilities, whether accrued or unaccrued, absolute or contingent, known or unknown, under or with respect to ownership or holding of the Station Assets, including the Licenses and the Station Agreements, to the extent that such liabilities or obligations of Seller pertain to the period of time commencing on or after the Effective Time, *except for* obligations and liabilities which arise after the Closing Date as a result of a default by Seller under any Station Agreement prior to the Closing Date (collectively, the "Assumed Liabilities"). Except for the Assumed Liabilities, and except as set forth in Section 4.12 below, Buyer does not hereby, and shall not have any obligation to, assume responsibility for any liability or obligation of Seller arising prior to the Closing Date, including, without limitation, any liability and responsibility for severance payments to Seller's former employees or accrued vacation and sick days for Seller's former employees which liabilities are related to employment by Seller.

**1.2 Purchase Price, Escrow Deposit, Indemnity Escrow, and Allocation.** The purchase price for the Station Assets shall be Twenty-Four Million Five Hundred Thousand Dollars (\$24,500,000.00) cash, subject to adjustment as provided in Section 1.6 (the "Purchase Price"). Payment of the Purchase Price for the Station Assets shall be made as follows:

(a) Within two business days of execution of this Agreement, Buyer is delivering to Brooks Pierce McLendon Humphrey & Leondard, LLP (the “Escrow Agent”) the sum of Nine Hundred Eighty Thousand Dollars (\$980,000.00) as a deposit (the “Deposit”) to secure Buyer’s performance hereunder, and to be held by the Escrow Agent pursuant to the terms of the Deposit Escrow Agreement executed on the date hereof by and among Buyer, Seller and the Escrow Agent (the “Deposit Escrow Agreement”).

(b) On the Closing Date:

(i) Buyer and Seller shall jointly instruct the Escrow Agent to retain the Deposit to partially fund the “Indemnity Escrow,” which means Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) to administered by the Escrow Agent after the Closing as set forth herein and under an Indemnity Escrow Agreement, reasonably similar to the Deposit Escrow Agreement, by and among Buyer, Seller, and Escrow Agent (the “Indemnity Escrow Agreement”) to be entered into at Closing. The Indemnity Escrow shall be the sole and exclusive source of funds or other remedy used to satisfy any amounts owed by Seller to Buyer pursuant to Section 7.1 in accordance with the terms of this Agreement and the Indemnity Escrow Agreement. On the six-month anniversary of the Closing Date, half of the amount of the Indemnity Escrow that is then not subject to dispute shall be released to Seller pursuant to joint written escrow instructions to the Escrow Agent. The remaining Indemnity Escrow that is not subject to dispute shall be released to Seller in full on the fifteen-month anniversary of the Closing Date pursuant to joint written escrow instructions to the Escrow Agent. Any amount remaining as Indemnity Escrow shall thereafter be released in accordance with the Indemnity Escrow Agreement;

(ii) Buyer shall pay by wire transfer of immediately available funds the balance of the Indemnity Escrow (\$1,470,000) to the Escrow Agent to be administered as set forth herein and under the Indemnity Escrow Agreement; and

(iii) Buyer shall pay by wire transfer of immediately available funds the remainder of the Purchase Price, plus or minus the adjustments made pursuant to Section 1.6, to an account or accounts designated in writing by Seller at least two (2) business days prior to the Closing Date.

(c) If the Closing does not occur due to termination by Seller pursuant to Section 1.7(a)(iv), provided Seller has satisfied its obligations hereunder, and provided further, that all conditions precedent to Buyer’s obligations to close the transactions contemplated herein have been satisfied (except to the extent the failure to satisfy such conditions precedent was caused by Buyer’s material breach of any representation, warranty, covenant or other obligation under this Agreement), the Deposit and earnings thereon shall be delivered to Seller as liquidated damages, and not as a penalty, which shall be the sole remedy of Seller (the Parties recognizing that ascertainment of Seller’s damages in that event will be difficult, if not impossible, to quantify and that the Deposit and any earnings thereon reflect a reasonable estimation of such damages), and Seller shall have no other recourse against Buyer or any of its affiliates under or on account of this Agreement. In any other case, if the Closing does not occur and this Agreement is terminated, then, pursuant to the Deposit Escrow Agreement, the Deposit and any

earnings thereon shall be delivered to Buyer. All payments by the Escrow Agent shall be made in accordance with the procedures and provisions set forth in the Deposit Escrow Agreement or Indemnity Escrow Agreement, as applicable.

(d) The Purchase Price shall be allocated among the Station Assets as set forth on Schedule 1.2(d), which schedule shall be finalized to the mutual satisfaction of the Parties no later than thirty (30) days after the Effective Time. The Parties shall report all information regarding the sale and purchase of the Station Assets, and the allocation of the Purchase Price among the Station Assets, to any taxing authority having jurisdiction over the Parties, or the Station Assets only in accordance with the allocation of the Purchase Price prepared in accordance with this Section, and, if applicable, shall prepare and file Form 8594. In the event that any taxing authority disputes or challenges such allocation of the Purchase Price, the applicable Party shall immediately notify the other Party hereto of such dispute or challenge. In the event of such a dispute or challenge, the Party/Parties to such dispute or challenge shall be free to settle such dispute or challenge in its/their sole discretion.

**1.3 Time, Place and Date of Closing.** The consummation of the purchase and sale of the Station Assets as provided for in this Agreement (the “Closing”) shall be effectuated by the delivery of documents through emails and overnight courier (e.g., Federal Express); provided, that if the Parties agree that it shall be effectuated in person, the Closing shall take place on the Closing Date at the offices of Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P., 150 Fayetteville St., Suite 1700, Raleigh, North Carolina and shall be effective as of the Effective Time. The “Closing Date” shall occur within ten (10) days following the satisfaction or waiver of the condition set forth in Section 5.1(a) or on such other date as shall be agreed to by the Parties, subject to the satisfaction or waiver of the other conditions set forth in Sections 5.1, 5.2, and 5.3.

**1.4 Closing.** At the Closing:

(a) The Parties shall execute and deliver such instruments of conveyance, transfer, and assignment, in form and substance reasonably satisfactory to the Parties and their respective counsel, as shall be sufficient to convey, transfer and assign to Buyer all of Seller’s right, title and interest in and to all the Station Assets, in each case free and clear of all Liens (other than Permitted Liens), such instruments to include (to the extent applicable) a bill of sale, an assignment of FCC authorizations, an assignment and assumption agreement, deeds conveying the Owned Real Estate, certificates of title, and customary consents and estoppel certificates executed by the landlords of the Leased Real Estate, in each case in form consistent with the terms of this Agreement;

(b) Seller and Buyer shall deliver to the Escrow Agent a joint notice instructing it to hold the Deposit as the Indemnity Escrow in accordance with Section 1.2(b)(i) hereof;

(c) Buyer shall deliver to the Escrow Agent One Million Four Hundred Seventy Thousand Dollars (\$1,470,000.00) to fund the remainder of the Indemnity Escrow in accordance with Section 1.2(b)(ii) hereof;

(d) Buyer shall deliver to Seller the Purchase Price less the Indemnity Escrow and plus or minus the adjustments made pursuant to Section 1.6;

(e) Seller shall deliver such documents as may be necessary to assign and otherwise convey to Buyer all of the Station Assets; and

(f) Seller and Buyer shall deliver the certificates and other documents required to be delivered pursuant to this Agreement.

**1.5 Covenants to Be Performed After the Closing.** After Closing, each Party shall, from time to time upon the other Party's request, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all such further deeds, assignments, documents, instruments, transfers, conveyances, discharges, releases, assurances and consents, and to take or cause to be taken such further actions, as such other Party may reasonably request to carry out the transaction and the purposes of this Agreement. After the Closing, Seller and Buyer shall allow the other Party reasonable access, upon reasonable notice and during normal business hours, to such of the files and records (including financial records) as relate to the Station Assets or the Station.

**1.6 Proration of Expenses; Adjustments to Purchase Price.**

(a) All income, costs and expenses arising from or attributable to the ownership or use of the Station Assets up to the Effective Time will be prorated between Seller and Buyer in accordance with general accepted accounting principles so that Seller shall be entitled to all income and responsible for all expenses and costs allocable for the period prior to the Effective Time, and Buyer shall be entitled to all income and responsible for all expenses and costs allocable for the period on and after the Effective Time. Items to be apportioned pursuant to this Section 1.6 shall include, without limitation (i) all taxes (other than income taxes arising from the sale of the Station Assets pursuant to this Agreement which shall be Seller's sole responsibility, and taxes arising from the sale and transfer of the Station Assets which shall be paid in accordance with Section 8.1) relating to the Station Assets; (ii) business and license fees including any FCC regulatory fees (and any retroactive adjustments thereof); (iii) utility expenses related to the Station Assets; (iv) rent and other amounts under Station Agreements; and (v) subject to the provisions of Section 1.6(c) below, Trade Agreements.

(b) The prorations and adjustments contemplated by this Section 1.6, to the extent practicable, shall be made at the Closing. Not less than three (3) business days prior to the Closing Date, Seller shall submit to Buyer a written estimate of adjustments and prorations to be made in accordance with this Section. After the Closing, the Parties will attempt in good faith to agree on an amount of any adjustments not capable of being ascertained by the Closing Date, which adjustments and prorations shall be made within forty-five (45) days of the Closing Date. In the event of any disputes between the Parties as to such prorations and adjustments, the amounts not in dispute shall nonetheless be paid at the time provided herein, and such disputes shall be determined by an independent certified public accountant or other party mutually

acceptable to the Parties whose determination shall be final. The fees and expenses of such accountant or other party shall be paid one-half by Buyer and one-half by Seller.

(c) Notwithstanding anything in this Section 1.6 to the contrary, (i) except as set forth herein, with respect to Trade Agreements for the sale of time for goods or services assumed by Buyer, if at the Effective Time, the Trade Agreements have an aggregate negative balance (i.e., the amount by which the value of air time the Station is obligated to provide after the Effective Time exceeds the fair market value of corresponding goods and services to be received by the Station after the Effective Time), there shall be no proration or adjustment, unless the absolute value of the aggregate negative balance of the Trade Agreements exceeds Twenty-Five Thousand Dollars (\$25,000.00), in which event all of such excess shall be treated as prepaid time sales of the Station, and adjusted for as a proration in Buyer's favor, and (ii) there shall be no proration under this Section 1.6 to the extent there is an aggregate positive balance with respect to the Trade Agreements.

### **1.7 Termination.**

(a) This Agreement may be terminated at any time prior to the consummation of the Closing by:

- (i) the mutual written consent of all of the Parties;
- (ii) either Buyer or Seller by written notice to the other, if the Closing does not occur within twelve (12) months from the date this Agreement;
- (iii) Buyer, by written notice to Seller, if Seller shall have breached any of its representations, warranties or obligations hereunder and such breach is material in the context of the transactions contemplated by this Agreement and shall not have been cured in all material respects or waived prior to the earlier of the Closing Date or thirty (30) days after Buyer has given written notice to Seller of such breach (and, to the extent applicable, if such breach is non-monetary, such time period shall be extended accordingly so long as Seller is undertaking diligent efforts to cure);
- (iv) Seller, by written notice to Buyer, if Buyer shall have breached any of its representations, warranties or obligations hereunder and such breach is material in the context of the transactions contemplated by this Agreement and shall not have been cured in all material respects or waived prior to the earlier of the Closing Date or thirty (30) days after Seller has given written notice to Buyer of such breach (except in the case of Buyer's failure to pay the Purchase Price or make the Deposit under Section 1.2, which is not subject to any cure period but, in all other cases, to the extent applicable and if such breach is non-monetary, such time period shall be extended accordingly as long as Buyer is undertaking diligent efforts to cure);
- (v) either Buyer or Seller by written notice to the other, if the FCC for any reason designates for hearing of the Assignment Application (as defined below); or



(vi) either Buyer or Seller, as applicable, by written notice to the other, pursuant to Section 4.14(d) or Section 8.4.

(b) In the event of the termination of this Agreement by a Party pursuant to this Section, written notice thereof shall promptly be given by such terminating Party to the other Party and, except as otherwise provided herein, (i) this Agreement shall become null and void and of no further force or effect, (ii) the Deposit shall be disbursed in accordance with Section 1.2(c), and (iii) such termination shall relieve each Party from any and all breaches of any obligation such Party has under this Agreement that occurred prior to termination, other than breaches that resulted in or caused the failure of the Closing to occur; provided, however, that notwithstanding anything in this Agreement to the contrary, Sections 4.2(b) (with respect to confidentiality) and all provisions related to the disbursement of the Deposit following termination shall survive any termination of this Agreement.

(c) Notwithstanding the provisions of Sections 1.7(a) and (b) above, no Party may terminate this Agreement if such Party (or a Party affiliated with it) is in material default hereunder, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such Party (or a Party affiliated with it) to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by such Party (or a Party affiliated with it) of incorrect, inaccurate or incomplete information to the FCC; or (iii) by any other action taken by such Party (or a Party affiliated with it) or such Party's (or a Party affiliated with it) failure to act for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

## **SECTION 2: REPRESENTATIONS AND WARRANTIES OF SELLER**

In order to induce Buyer to enter into this Agreement, Seller represents and warrants to Buyer that:

**2.1 Organization.** Seller was duly formed and is validly existing and in good standing under the laws of the State of Illinois.

**2.2 Authority.** Seller has the necessary company power and authority to execute, deliver and perform this Agreement and all other agreements, documents and instruments to be executed and delivered by it pursuant hereto (collectively, the "Seller Agreements") and to own the Station Assets and operate the Station prior to the consummation of the transaction contemplated by this Agreement. Seller has taken all necessary company action to authorize the execution, delivery and performance by it of this Agreement and the Seller Agreements.

**2.3 Binding Effect.** This Agreement constitutes, and upon execution and delivery the other Seller Agreements will constitute, Seller's legal, valid and binding obligations enforceable in accordance with their terms subject to bankruptcy, reorganization and similar laws affecting the rights of creditors generally.

**2.4 No Violation / No Conflict.** Subject to the consents and approvals of the FCC referred to in Section 4.1 and the Consents, to Seller's knowledge, neither its execution and delivery of this Agreement and the Seller Agreements, nor compliance by Seller with any of the provisions hereof, nor the consummation of the transaction contemplated hereby, will (i) violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, (ii) violate any provision of its articles of incorporation or bylaws, or (iii) conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under any agreement or instrument to which it is a party, or will result in the creation or imposition of any Lien, other than Permitted Liens, upon any of the Station Assets. The term "Seller's knowledge" as used throughout this Agreement means the knowledge of Steve Wheeler and the general manager and chief engineer of the Station.

## **2.5 Title to Station Assets; Liens; Condition and Sufficiency of Station Assets**

(a) Seller owns or has a valid right to, as applicable, all of the Station Assets free and clear of all Liens, except for Liens for Assumed Liabilities, Liens for taxes not yet due and payable, Liens that will be removed at or prior to Closing, the Liens which are identified on Schedule 2.5(a), and, with respect to the Real Estate, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station (collectively, the "Permitted Liens").

(b) The Tangible Assets are in good operating condition and repair, ordinary wear and tear accepted, taking into account age and normal usage, and are in material compliance with applicable rules and regulations of the FCC. Schedule 1.1(a)(i) contains a list of all material items of Tangible Assets.

(c) Schedule 1.1(a)(vi) contains a description of the material Intangible Property as of the date of this Agreement included in the Station Assets. Seller's use of the Intangible Property does not infringe upon any third party rights in any material respect and, to Seller's knowledge, none of the Intangible Property is being infringed by any third party. Seller has not received any written notice that its use of the Intangible Property at the Station is unauthorized or violates or infringes upon the rights of any other party or challenging the ownership, use, validity or enforceability of any Intangible Property.

(d) The Station Assets constitute all the assets used or held for use by Seller primarily in the business or operation of the Station as currently operated by Seller, except for the Excluded Assets.

**2.6 Licenses.** Schedule 1.1(a)(iii) contains a true and complete list as of the date of this Agreement of the Licenses which are required by the FCC for the lawful operation of the Station as presently conducted. Seller is the duly authorized holder of the Licenses, all of which are in full force and effect. Except as listed on Schedule 1.1(a)(iii), there are no applications or proposals pending before or approved by the FCC that would change the Station's community of license or result in any other material change to the operations of the Station or the Licenses.

The Licenses have been issued for the full terms customarily issued to a broadcast television station in the state of license. Seller is in compliance with each of the Licenses. There are no investigations, proceedings, or material complaints pending or, to Seller's knowledge, threatened, at the FCC which might reasonably be expected to adversely affect the business or operations of the Station, or might reasonably be expected to impair Seller's ability to assign the Licenses to Buyer or which would impede its ability to prosecute the Assignment Application or seek the grant of the FCC Consent, other than proceedings of a general nature affecting or concerning the television industry. All reports and fees required to be filed or paid by Seller for the Station with the FCC have been filed and paid and all such reports are accurate. Such items as are required to be placed in the Station's FCC public inspection files have been placed in such file. Seller is operating the Station, its physical facilities, electrical and mechanical systems and transmitting and studio equipment in compliance with the FCC's rules.

## **2.7 Employee Relations.**

(a) In the conduct of the Station's affairs, Seller is in compliance in all material respects with all applicable laws and government regulations relating to the employment of labor, including those relating to collective bargaining and other unfair labor practices, wages, hours, discrimination, and the withholding and payment of social security and similar taxes, and Seller is not liable for any arrears or penalties relating thereto with respect to the Station which would have a material adverse effect upon the operations of the Station or which could reasonably be expected to result in liability to Buyer following the Closing. Seller shall be solely responsible for, and hold Buyer harmless from, any and all employment compensation, personnel benefits, accrued benefits and bonuses up to the Effective Time with respect to the operation of the Station. No labor union is certified, or otherwise recognized, as the collective bargaining representative for any of Seller's employees with respect to the Station; Seller has no knowledge of any labor strike, union organizing efforts, equal employment opportunity or discrimination allegation or other employee or labor controversy or dispute pending with respect to the Station which could reasonably be expected to affect Buyer's operation of the Station. Seller has not promised to any employee of the Station that Buyer will be hiring any such employee or otherwise made any offer of employment on behalf of Buyer. Seller shall be fully responsible for all severance and other pre-Closing obligations owing to any of its employees.

(b) Seller has made available to Buyer a list, dated as of the date hereof, of all employees of Seller (the "Station Employees"), including (i) the current rate of compensation, employment status (i.e., active, disabled, on authorized leave), department, title, and whether full-time or part-time, and (ii) amount of accrued sick, vacation, and paid time off for each Station Employee.

**2.8 Compliance with Laws; Litigation.** Seller is operating the Station and the Station Assets in compliance with all Licenses and applicable federal, state and local laws, including, without limitation, compliance with the Communications Act of 1934, as amended, the Telecommunications Act of 1996, the Children's Television Act of 1990, and the rules and regulations of the FCC (collectively, the "Communications Act"), except in each case as would not have a material adverse effect upon the financial condition of the Station. There is no judgment outstanding and no litigation or proceeding before any court, administrative agency,

arbitrator or mediator of any nature pending or, to Seller's knowledge, threatened which might reasonably be expected to materially and adversely affect the continued operation or earnings of the Station or materially and adversely affect the enjoyment and use by Buyer of the Station Assets to be purchased hereunder, except for matters affecting the television broadcast industry generally. Should any finding, order, complaint, citation or notice allege that any aspect of the Station's operation violates any rule or regulation of the FCC or any other governmental agency prior to Closing, Seller shall promptly notify Buyer and use commercially reasonable best efforts to remove or correct such violation and be responsible for all costs associated therewith, including payment of any fines that may be assessed.

**2.9 Performance of Station Agreements.** Schedule 1.1(a)(v)(A) is a true, correct, and complete listing of all Station Agreements existing on the date of this Agreement that Seller reasonably expects to result in payment or receipts in excess of \$20,000 annually (other than agreements for the sale of advertising time on the Station). Seller has performed all of its obligations pursuant to each of the Station Agreements in all material respects and is not in default or breach of any Station Agreement in any material respect. Seller has not received written notice from any party to any Station Agreement that such party contends that Seller is in default or breach under any Station Agreement in any material respect. Each of the Station Agreements is in full force and effect and, to the knowledge of Seller, there is not any default or breach in any material respect under any Station Agreement by the other party to any Station Agreement. There have been no modifications, extensions, or amendments of any of the material Station Agreements that have not been delivered to Buyer, whether oral or written, except as may be contemplated by this Agreement. Seller has not been notified by any other party to any Station Agreement that such party has a present intent to terminate or not to renew any Station Agreement. None of the Station Agreements has as the counterparty an entity controlled by any affiliate of Seller.

## **2.10 Cable and Satellite Matters.**

(a) Schedule 2.10 contains a list of all cable television systems and satellite carriers (the "Market Systems") in the Station's Nielsen Designated Market Area (the "DMA") that carry the Station. To Seller's knowledge, the Station is carried by all cable systems and satellite carriers that provide service within the DMA to more than 500 subscribers. Seller has timely made retransmission consent elections and entered into retransmission consent agreements with respect to the Market Systems for the carriage cycle commencing January 1, 2018, and ending December 31, 2020. Except as set forth in Schedule 2.10, since January 1, 2018, (i) no Market System has provided written notice to Seller of any signal quality issue or failed to respond to a request for carriage or sought any form of relief from carriage of the Station from the FCC, and (ii) Seller has not received any written notice of any Market System's intention to delete the Station from carriage or to change the Station's channel position on such system. Seller has no petition pending before the FCC to extend the Station's market for cable or satellite carriage purposes beyond the DMA. Schedule 2.10 contains a list of cable systems and satellite carriers that, to the knowledge of Seller, carry the Station on such cable systems or satellite carriers outside the DMA. Except as disclosed on Schedule 2.10, there are no unresolved disputes with cable systems or satellite carriers with respect to the carriage of the Station.

(b) Schedule 1.1(a)(v)(A) or Schedule 2.10 contains a list of all retransmission consent, channel positioning or other agreements with cable systems or satellite carriers with respect to the Station, and Seller has previously furnished Buyer with true and correct copies of all such agreements.

## **2.11 Real Estate.**

(a) Schedule 1.1(a)(ii)(A) lists the legal description of all Owned Real Estate. Seller has, and immediately prior to or as of the Closing will have, good and marketable fee simple title to the Owned Real Estate free and clear of Liens, other than Permitted Liens. Except as disclosed on Schedule 1.1(a)(ii)(A), neither Seller nor any of its affiliates is obligated under, nor is a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Owned Real Estate or any portion thereof or interest therein. Except as disclosed on Schedule 1.1(a)(ii)(A), Seller has not leased or otherwise granted to any person or entity the right to use or occupy any of the Owned Real Estate or any portion of the income or profits from the sale, operation or development thereof.

(b) Schedule 1.1(a)(ii)(B) lists the Leased Real Estate, which is all of the real property leased to the Seller and used or held for use in connection with the Station. Seller has good leasehold title to its interests in the Leased Real Estate, free and clear of all Liens, except for Permitted Liens. All improvements owned by Seller and located on the Real Estate (i) are in reasonable condition and repair in accordance with normal and customary industry practices (ordinary wear and tear excepted), and (ii) are available for immediate use in the operations of the Station as currently conducted. With respect to the Leased Real Estate, Seller is in peaceable possession under each Real Estate Lease.

(c) All of the Real Estate has access to public roads or streets, and all utilities and services necessary for the proper and lawful conduct in all material respects and operation of the Station as now conducted by Seller. 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 of the Real Estate, and, as of the date hereof, to Seller's knowledge, Seller has not received any written notice of the intention of any governmental authority or other person or entity to take or use all or any part thereof. Except for Station Agreements set forth on Schedules 1.1(a)(ii)(A) or 1.1(a)(ii)(B), there are no contracts entered into by the Seller, granting to any person or entity other than the Seller, the right to occupy any Real Estate.

(d) Except as set forth on Schedule 2.11(d): (i) there is no private restrictive covenant or governmental use restriction (including zoning) on all or any portion of the Owned Real Estate that prohibits or materially interferes with the current use by Seller of the Owned Real Estate; and (ii) all permits required for the occupancy and operation of Owned Real Estate as presently being used by the Seller have been obtained and are in full force and effect in all material respects, and, as of the date hereof, the Seller has not received any written notices of material default or material violations in connection with such items. No additional approvals, permits or licenses will be required to be issued after the date hereof in order to permit Buyer,

following the Closing, to continue to operate the Station on the Owned Real Estate in the same manner as Seller, other than any such approvals, permits or licenses that are ministerial in nature and are normally issued in due course upon application therefor without further action by the applicant.

**2.12 Environmental Matters.** Except as set forth on Schedule 2.12, and except as would not reasonably be expected to result in Seller, or any owner or operator of the Business or the Real Estate incurring material liability under any applicable Environmental Law (as defined below) (a) Seller is and has been in compliance with all Environmental Laws applicable to the Business, the Purchased Assets, and the Owned Real Estate, which compliance includes obtaining, maintaining and complying in all material respects with all permits, licenses or other authorizations required by Environmental Law for the operation of the Business or use of the Owned Real Estate, (b) no claims are pending or, to Seller's knowledge, threatened against Seller, the Business, the Purchased Assets or the Owned Real Estate alleging a violation of, or liability under, Environmental Laws, (c) there are no conditions resulting from the operations of the Business or existing at or resulting from the Purchased Assets or any Owned Real Estate that would result in the owner or operator of the Business or the Owned Real Estate incurring liability under Environmental Laws, (d) there has been no release of Hazardous Materials on, at, or under any Owned Real Estate, (e) Seller has not assumed, either by contract, operation of law, or otherwise, any liability under Environmental Law of any other person relating to the Business, (f) there is no pending or, to Seller's knowledge, threatened complaint, action, suit, proceeding, hearing, investigation, claim, or demand arising from or related to electromagnetic spectrum pollution or emissions generated by or originating from the Station or otherwise related to the operation of the Business, (g) the operations of the Business do not exceed the permissible levels of exposure to RF radiation specified in the the Communications Act or FCC rules or under Environmental Laws, (h) during the last five (5) years from the date hereof, Seller has not received any request for information, notice of violation or other communication from any governmental entity or third party alleging a violation of or liability under any Environmental Law or any damage or liability related to human health or safety related to the Business, and (i) to Seller's knowledge, Seller has made available to Buyer copies of all non-privileged environmental assessments, audits, investigations or other similar environmental reports relating to the Business, the Purchased Assets or the Owned Real Estate that are in the possession, custody or control of Seller. For purposes of this Agreement, the following terms have the following meanings: (i) "Environmental Law" shall mean any and all federal, state or local laws (including common law), statutes, rules, regulations, codes, policies, ordinances, orders, injunctions and directives, in effect on or prior to the Closing Date: (a) related to releases or threatened releases of, or exposure to, any Hazardous Materials; (b) governing the use, treatment, storage, disposal, transport or handling of Hazardous Materials; or (c) related to pollution or the protection of the Environment or human or worker health and safety (with respect to management of or exposure to hazardous substances). Such Environmental Laws include, without limitation, the following federal laws: the *Resource Conservation and Recovery Act*, the *Comprehensive Environmental Response, Compensation, and Liability Act*, the Emergency Planning & Community Right-to-Know Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Occupational Health and Safety Act, as it relates to management of or exposure to hazardous substances, and the Toxic Substances Control Act; (ii) "Hazardous Materials" shall mean (A) all chemicals, materials, substances or wastes classified, characterized

or regulated as “hazardous,” “toxic,” “pollutant” or “contaminant,” or words of similar meaning, defined, listed, classified, regulated or prohibited under any Environmental Law, (B) all petrochemical or petroleum products, oil or radioactive materials, and (C) any other chemical, material, substance, emission or media exposure to which may be harmful to human health or is prohibited, limited or regulated by any Environmental Law; (iii) “Environment” shall mean surface waters, ground waters, surface water sediment, soil, subsurface strata, buildings, indoor air, ambient air and other environmental medium; and “Business” means the business and operation of the Station. Except as set forth in Schedule 2.12, to Seller’s knowledge, there are no underground storage tanks located on the Owned Real Estate.

**2.13 Insolvency; Payment of Taxes.** No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Station Assets are pending or, to Seller’s knowledge, threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings. All federal, state, county and local tax returns required to be filed by Seller, if any, with respect to the Station or the Station Assets have been duly and timely filed (after taking into account any extensions therefor). Seller has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it with respect to the Station or the Station Assets. Any applicable taxes upon the Station or the Station Assets, including property, sales or use taxes or any other tax however designated arising from the subject matter of this Agreement and applicable to any events or time periods prior to the Closing, shall be the responsibility of Seller; provided that transfer taxes shall be paid in accordance with Section 8.1(a).

**2.14 Insurance.** All of the Station Assets which are of an insurable character are insured by reputable insurance companies against loss or damage by fire and other risks consistent with Seller’s past practices.

**2.15 No Undisclosed Liabilities.** There are no liabilities or obligations of Seller that will be binding upon Buyer after the Effective Time other than the Assumed Liabilities and other than pursuant to the prorrations under Section 1.6.

**2.16 Broker.** No broker has acted for or on behalf of Seller in connection with the negotiation or consummation of this Agreement, and no broker is entitled to a brokerage fee, commission or other payment due from Seller in connection with the transactions contemplated by this Agreement.

**2.17 Financial Statements.** Schedule 2.17 sets forth copies of the following un-audited financial statements with respect to the business, relating to the operation of the Station (such financial statements, collectively, the “Financial Statements”) (a) each un-audited balance sheet as of the fiscal year ended December 31, 2017, (b) each un-audited statement of operations for the fiscal year ended December 31, 2017, (c) each un-audited balance sheet as of September 30, 2018 and the related un-audited statement of operations for the nine (9) month period then ended, and (d) each un-audited income statement starting with the quarter ended March 31, 2017, through the quarter ended September 30, 2018. The Financial Statements have been derived

from the books and records of Seller relating to the business and fairly present, in all material respects, the financial position and results of operations, on a per market basis with respect to the Station, of the business as of the dates thereof and for the periods indicated therein in conformity with tax basis accounting and reflect all costs and expenses of conducting the business of the Station, including reasonable allocations for all costs and expenses of services performed for Seller by its affiliates. Except as set forth on Schedule 2.17, Seller has no liabilities or obligations with respect to the business that would be required to be disclosed on a balance sheet or in footnotes thereto, in each case prepared in accordance with tax basis accounting, except (i) liabilities which are adequately reflected or reserved against in the balance sheets as of September 30, 2018 included in the Financial Statements and (ii) current liabilities incurred in the ordinary course of business since September 30, 2018.

**2.18 Full Disclosure.** Seller has made available to Buyer true and complete copies of the documents listed on the Schedules.

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

In order to induce Seller to enter into this Agreement, Buyer represents and warrants to Seller that:

**3.1 Organization.** Buyer was duly organized and is validly existing and in good standing under the laws of the State of Illinois.

**3.2 Authority.** Buyer has the necessary company power and authority to execute, deliver and perform this Agreement and all other agreements, documents and instruments to be executed and delivered by it pursuant hereto (collectively, the “Buyer Agreements”) and to own the Station Assets and operate the Station after the consummation of the transaction contemplated by this Agreement. Buyer has taken all necessary company action to authorize the execution, delivery and performance by it of this Agreement and the Buyer Agreements.

**3.3 Binding Effect.** This Agreement constitutes, and upon execution and delivery the other Buyer Agreements will constitute, Buyer’s legal, valid, and binding obligations enforceable in accordance with their terms subject to bankruptcy, reorganization and similar laws affecting the rights of creditors generally.

**3.4 No Violation / No Conflict.** Subject to the consents and approvals of the FCC referred to in Section 4.1 and the Consents, to Buyer’s knowledge, neither the execution and delivery by Buyer of this Agreement and the Buyer Agreements, nor compliance by Buyer with any of the provisions hereof, nor the consummation of the transaction contemplated hereby will (i) violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, (ii) violate any provision of its articles of incorporation or bylaws, or (iii) conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under, any agreement or instrument to which it is a party.



**3.5 Buyer Qualifications.** Subject to obtaining a continuing “satellite waiver” from the FCC with respect to KPOB-TV in connection with the Assignment Application, Buyer is qualified under the Communications Act and the rules and policies of the FCC to be a licensee of the Station and the assignee of the Licenses, and the owner and/or operator of the Station or the Station Assets, and Buyer will not take, or unreasonably fail to take, any action which would cause such non-qualification.

**3.6 Funds.** Buyer has sufficient financial capacity and access to sufficient liquid funds to pay the Purchase Price at Closing.

**3.7 Insolvency.** No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer are pending or, to Buyer’s knowledge, threatened. Buyer has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

**3.8 Litigation.** There is no action, suit or proceeding pending or, to Buyer’s knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

**3.9 Broker.** No broker has acted for or on behalf of Buyer in connection with the negotiation or consummation of this Agreement, and no broker is entitled to a brokerage fee, commission or other payment due from Buyer in connection with the transactions contemplated by this Agreement.

#### **SECTION 4: CERTAIN MATTERS PENDING THE CLOSING**

The Parties covenant and agree as follows:

**4.1 FCC Approval.** Promptly upon the execution of this Agreement, Buyer and Seller shall each prepare for filing with the FCC their respective portions of the application for FCC consent to the assignment of the Licenses to Buyer (the “Assignment Application”), which shall be filed within ten (10) business days after the Effective Date. The Parties shall diligently prosecute the Assignment Application and use all reasonable efforts to obtain the FCC’s consent and grant of the Assignment Application (the “FCC Consent”) as expeditiously as practicable; provided, however, that no Party hereto shall be required to take any action which such Party reasonably determines would have a material adverse effect upon such Party. No Party shall intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the Assignment Application or cause the FCC Consent not to become a Final Action (defined below); provided, however, that no Party hereto will be required to take any action which such Party reasonably determines would have a material adverse effect upon such Party. A “Final Action” shall mean an order of the FCC with respect to which no appeal, no petition for re-hearing, reconsideration, or stay, and no other administrative or judicial action contesting such consent or approval, is pending and as to which the time for filing any such appeal, petition or other action has expired or, if filed, has been denied, dismissed, or withdrawn and the time for

instituting any further legal proceeding has expired under the Communications Act and FCC rules. Without limiting the foregoing, to the extent the FCC's Enforcement Bureau has placed an assignment hold (an "Enforcement Hold") on the Station due to a pending complaint, investigation, or otherwise (a "Pending Complaint"), Seller shall use commercially reasonable efforts to have such Enforcement Hold removed at the earliest practicable date to facilitate a grant of the Assignment Application, including, if necessary, entering into an escrow agreement with the FCC or other agreements reasonably required by the FCC. Buyer shall have no obligation to assume any liability with respect to a Pending Complaint and shall otherwise not be required to enter into any agreement with the FCC relating to the Enforcement Hold or a Pending Complaint.

#### **4.2 Access and Confidentiality.**

(a) At any time prior to the Closing, Buyer shall have the right, itself or through its counsel, accountants, engineers, lender(s), and other authorized representatives (collectively, "Buyer's Representatives"), during normal business hours and at a mutually agreeable time after reasonable written notice to Seller, and so long as it does not interfere with the business and operations of Seller or its affiliates, to inspect the Station Assets, including the Tangible Assets, the Station Agreements, the Real Estate, and to inspect and make abstracts and reproductions of the Books and Records ("Seller's Information"), and Seller shall furnish Buyer with such information respecting the Station Assets as Buyer may, from time to time, reasonably request.

(b) Buyer, and any other person to whom Seller delivers the Seller's Information at Buyer's request, shall keep confidential any and all Seller's Information and any other non-public information of Seller or its affiliates, and shall not deliver all or any portion thereof, or permit access to all or any portion thereof, to any third party without the prior written consent of Seller, except to the extent that such information has previously been made public by a person or entity other than the Buyer or any of Buyer's representatives or as otherwise required by law. In the event that the Closing does not occur, Buyer shall either destroy or return to Seller, all of Seller's Information or other nonpublic information and any material that contains all or any part of the Seller's Information or such other nonpublic information. Buyer shall not use the Seller's Information or such other nonpublic information for any purpose other than for evaluation of the transaction contemplated hereby.

**4.3 Conduct of Business of the Station Pending Closing.** Between the Effective Date and Closing, except for those changes or actions expressly implemented by mutual consent of the Parties, and for those changes or actions which are in the usual and ordinary course of operating the Station, Seller shall (or, as applicable with respect to certain Station Agreements, shall cause its affiliate to), to the extent permitted by the Communications Act and FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the Station Assets, except if any such item is replaced with a substantially similar item;

(b) refrain from modifying, amending, altering or terminating, any other material right relating to or included in the Station Assets (including the Station Agreements);

(c) maintain insurance on the Tangible Assets against loss or damage by fire and all other hazards and risks in an amount consistent with past practices;

(d) maintain the Station Assets in accordance with past practices, ordinary wear and tear excepted;

(e) refrain from changing its governing documents in any way which would adversely affect its power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(f) operate the Station in accordance with the Licenses and in material compliance with all laws, rules and regulations applicable to the Station, including the rules and regulations of the FCC;

(g) refrain from subjecting any of the Station Assets to any new Lien other than Permitted Liens;

(h) provide to Buyer, within two (2) business days after filing thereof, copies of all reports to and other filings with the FCC relating to the Station;

(i) provide to Buyer, within two (2) business days upon receipt thereof by Seller, a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension or limitation of the rights under, or of any proceeding for the revocation, suspension or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any License, and (ii) all protests, complaints, challenges or other documents filed with the FCC by third parties concerning the Station and, promptly upon the filing or making thereof, copies of Seller's responses to such filings;

(j) notify Buyer in writing within two (2) business days upon learning of the institution or written threat of any action against Seller involving the Station in any court, or any action against Seller involving the Station before the FCC or any other governmental agency, and notify Buyer in writing promptly upon receipt of any administrative or court order relating to the Station Assets or the Station;

(k) refrain from filing any application for any construction permit or modification of any License or otherwise changing any of the Station's facilities;

(l) use commercially reasonable efforts to maintain the Licenses in full force and effect;

(m) timely make must-carry/retransmission elections with respect to cable systems and satellite carriers; provided, that Seller shall not elect must-carry (by default or

otherwise) or enter into a retransmission consent agreement without notice to and cooperation of Buyer; and

(n) except for agreements and contracts which will be terminable by Buyer without penalty upon notice of sixty (60) days or less, or except for agreements and contracts entered into with Buyer's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), not: (i) enter into any agreement or contract that would have been a Station Agreement were Seller a party or subject thereto on the Effective Date unless such agreement or contract (A) is entered into in the ordinary course of business and (B) does not involve payments of greater than Ten Thousand Dollars (\$10,000) during any twelve (12) month period, (ii) amend in any material respect or renew any Station Agreement unless such amendment or renewal (A) is effected in the ordinary course of business and (B) does not increase the amount of payments to be made thereunder during any twelve (12) month period by Ten Thousand Dollars (\$10,000) or more or (iii) terminate or waive any material right under any Station Agreement other than in the ordinary course of business (excluding the expiration of any Station Agreement in accordance with its terms) (it being understood that if any such entry into, or amendment or termination of any such agreement or contract is permitted pursuant to this Section 4.3(n) as a result of the references to acts taken in the ordinary course of business, but such action would otherwise be prohibited by any other provision of this Section 4.3, then this Section 4.3(n) shall not be interpreted to permit such action without the prior written consent of Buyer (which shall not be unreasonably withheld, conditioned or delayed) as contemplated hereby).

**4.4 Notice of Commencement of Proceedings or Change in Condition.** Each Party shall notify the other in writing promptly upon obtaining knowledge of the occurrence of any of the following events, stating in reasonable detail the nature thereof: (a) any proceedings instituted against such Party by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon such Party's ability to perform any of its obligations under this Agreement, and (b) any material adverse change in the condition, financial or otherwise, of such Party or the collective assets of such Party to be transferred hereunder.

**4.5 No Inconsistent Act.** No Party shall (a) knowingly take any action which is materially inconsistent with its respective obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transactions contemplated by this Agreement, except as specifically required or permitted herein, or (b) knowingly take or fail to take any action which would render any of its representations and warranties set forth hereunder no longer accurate in any material respect; provided, however, that no Party hereto shall be required to take any action before the FCC which such Party reasonably determines would have a material adverse effect on such Party.

**4.6 Cooperation; Satisfaction of Conditions.** The Parties will cooperate in all respects in connection with and use commercially reasonable efforts to cause all of the conditions set forth in Sections 5.1, 5.2, and 5.3 to be fulfilled (but not waived).

**4.7 Public Announcement.** Seller, at its own expense, shall publish and broadcast (if applicable) public notices concerning the filing of the applicable Assignment Application in accordance with the requirements of Section 73.3580 of the FCC's rules. As to any other announcements prior to Closing, no Party shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without prior written approval of the other Party (which shall not be unreasonably withheld or delayed) except as and to the extent that a Party shall be obligated by law, in which case the other Party shall be so advised and the Parties shall use commercially reasonable efforts to cause a mutually agreeable release or announcement to be issued.

**4.8 Consents.** Prior to the Closing, Seller shall proceed with all reasonable diligence and shall use commercially reasonable efforts to obtain all Consents, but, other than Big Four network affiliation agreements, no such consents are conditions to Closing hereunder. If requested by Seller, Buyer shall execute and deliver to the applicable third party and/or Seller an assumption agreement with respect to Seller's (or its affiliate's) obligations and liabilities under each Station Agreement to commence as of the Effective Time, which assumption agreement may also contain a release of Seller (or its affiliate) by the applicable third party to such Station Agreement. To the extent that any Station Agreement may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Agreement; provided, however, with respect to each such Station Agreement, Seller (and if applicable, its affiliate) and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Agreement from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's (or its affiliate's) obligations arising under the Station Agreement from and after Closing in accordance with its terms.

**4.9 Construction and Updating of Schedules.** Any information disclosed by a Party in this Agreement or pursuant to any one or more of the Schedules hereto shall be deemed to be disclosed to the other Party for all purposes of this Agreement and the Schedules. Prior to the Closing, a Party may update and modify the Schedules hereto as necessary to cause the information contained therein to be accurate and complete, including, for example, to reflect changes in the relevant assets; provided, that such revised Schedules shall not be considered in determining whether the conditions in Section 5.2(a) or 5.3(a) have been satisfied.

**4.10 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 IV, are not intended to, and shall not be construed to, transfer control of the Station or to give Buyer 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 Station prior to the Closing, and Seller shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station until the Closing.

**4.11 Accounts Receivable.** For a period of ninety (90) days after the Closing (the "Collection Period"), Buyer shall, without charge to Seller, use commercially reasonable efforts

to collect the A/R in the ordinary course of business and shall apply all amounts collected from the Station's account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to the A/R that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any A/R and Buyer shall refer any disputed A/R to Seller. Within ten (10) business days after the end of each month, Buyer shall deliver to Seller a report showing A/R collections for the prior month and Buyer shall make a payment, without offset, to Seller equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R shall be returned to Seller for collection; provided, however, that any A/R actually received by Seller after the Collection Period shall be remitted to Seller within a reasonable time period. For the avoidance of doubt, Buyer shall have no obligation to institute any legal proceedings to collect the A/R or to otherwise incur any cost or obligation in respect of the A/R other than in the ordinary course of business.

#### **4.12 Employees.**

(a) Seller shall terminate the employment of each Station Employee as of the Closing Date. As of or before the Closing, Buyer or its affiliate shall offer employment to each Station Employee; provided, however, that Buyer shall not be obligated to offer employment to any shareholder, officer, or director of Seller or the spouse of any such person.

(b) So long as a Station Employee is employed by Buyer, Buyer shall provide each Station Employee an employee benefits package that is no less favorable to the employee benefits package provided to similarly situated employees of Buyer.

(c) Notwithstanding anything to the contrary in this Section 4.12, the Parties expressly acknowledge and agree that (i) this Agreement is not intended to create a contract between Buyer, Seller or any of their respective affiliates on the one hand and any Station Employee on the other hand, and no Station Employee may rely on this Agreement as the basis for any breach of contract claim against Buyer or Seller, (ii) nothing in this Agreement shall be deemed or construed to require any Buyer to employ any particular Station Employee for any period after the Closing, and (iii) nothing in this Agreement shall be deemed or construed to limit Buyer's rights to terminate the employment of any Station Employee during any period after the Closing Date or Seller's rights to terminate the employment of any Station Employee during any period prior to or after the Closing Date.

(d) To the extent achievable, the Parties will work cooperatively to achieve a plan-to-plan transfer of retirement plan assets of Station Employees hired by Buyer.

(e) Buyer and Seller agree to the terms and conditions set forth in Schedule 4.12(e).

(f) Seller shall be responsible for and shall pay at Closing all employment compensation, personnel benefits, accrued benefits, accrued vacation, bonuses and any other obligations owed for each Station Employee up to the Effective Time.

**4.13 Title Insurance; Surveys.** Buyer may obtain, at its sole option and expense, and Seller shall grant Buyer access to obtain (a) commitments for owner's and lender's title insurance policies on the Owned Real Estate and commitments for lessee's and lender's title insurance policies for all Leased Real Estate (collectively the "Title Commitments"), and (b) an ALTA survey on each parcel of Real Estate (the "Surveys"); provided, however, that Seller shall provide Buyer with any existing Title Commitments and Surveys in its possession. The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring good, marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Real Estate contemplated above for such amount as Buyer directs and will contain no exceptions except for Assumed Liabilities or Permitted Liens, with each of the title company's standard printed exceptions deleted at Seller's expense solely to the extent that such deletion is required under the other provisions of this Agreement. Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments and Surveys (including by providing customary representations and affidavits to Buyer's title company as are consistent with Seller's obligations hereunder). If the Title Commitments or Surveys reveal any Lien on the title, other than Assumed Liabilities or Permitted Liens, Buyer may notify Seller in writing of such objectionable matter as soon as Buyer determines that such matter is not an Assumed Liability or Permitted Lien or otherwise a customary title exception, and Seller shall use commercially reasonable efforts to remove such objectionable matter as required pursuant to the terms of this Agreement. Seller shall be obligated to remedy any title defect that is of a monetary nature.

**4.14 Environmental Assessments; Phase I Investigations.**

(a) Buyer shall have the right, at its sole cost and expense, to engage a reputable tank removal and engineering firms to remove the underground storage tank located on the Real Estate at Country Aire Road, Carterville, Illinois (the "UST"), subject to the following conditions: (i) the UST removal shall be during regular business hours, (ii) with no less than two (2) business days prior notice to and on a date as mutually agreed by Seller, (iii) in a manner which will not unduly interfere with the business and operation of the Station or the use of access to or egress from the Real Estate, and (iv) require best efforts by Buyer and its tank removal and engineering firms not to cause any release from the UST, damage the Real Estate, the studio building, or otherwise impair any property or assets of Seller. Any such damage described in the foregoing clause (iv) caused solely by Buyer and/or its tank removal and engineering firms shall be repaired by Buyer at its sole cost and expense regardless of whether Closing occurs. The parties understand that the UST removal shall occur prior to the Assessments described below.

(b) Within thirty (30) days from the date of this Agreement, Buyer shall have the right, at its sole cost and expense, to engage an environmental consulting firm to conduct a Phase I Environmental Site Assessment and Compliance Review, as such terms are commonly understood ("Phase I Environmental Site Assessment"); provided such environmental assessment, test, investigation or review shall be conducted only (i) during regular business hours, (ii) with no less than two (2) business days prior notice to and on a date as mutually agreed by Seller, (iii) in a manner which will not unduly interfere with the business and operation of the Station or the use of access to or egress from the Real Estate; and (iv) with respect to Leased Real Estate, if the landlord of such Leased Real Estate consents to such assessment after Seller requests permission. Any damage to the Real Estate caused solely by

Buyer and/or its consultants in conducting any such environmental assessment, test, investigation or review shall be repaired by Buyer at its sole cost and expense regardless of whether Closing occurs.

(c) If the Phase I Environmental Assessment discloses the presence or likely presence of Hazardous Materials, Seller shall within 20 days of such report obtain a Phase II Environmental Assessment (“Phase II Environmental Assessment”) for each such parcel of Real Estate owned or leased by Seller with any potential liability with respect to the Environment. The Phase I Environmental Assessment and Phase II Environmental Assessment are hereinafter referred to as the “Assessments.”

(d) If any Assessments reveal the presence of a Hazardous Materials the remediation of which is required under any applicable Environmental Laws or if any Assessments reveal the likely presence of Hazardous Materials that would require remediation, then Seller agrees, at Seller’s cost, to perform such remediation; provided, however, that if such remediation would cost in excess of One Million Dollars (\$1,000,000.00), either Buyer or Seller, at its option, may (i) terminate this Agreement by written notice to the other party without further liability or (ii) proceed to close the transaction with Seller assuming the responsibility for the environmental remediation to the extent necessary to come in compliance with applicable Environmental Laws. If the Closing is not consummated hereunder, neither party shall have any obligation to remediate any potential liability with respect to the results of such Assessments. Any damage to the Real Estate caused solely by Buyer and its consultants in conducting any Assessment shall be repaired by Buyer at its sole cost and expense. Any such remediation shall only be required to meet the most cost-effective standard to become compliant with any applicable Environmental Laws.

(e) Buyer shall pay all the costs and expenses of any Phase I Environmental Assessment regardless of whether this Agreement is terminated or closed. In the event Phase II Environmental Assessment is required for parcels of Real Estate, such Phase II Environmental Assessment will be paid by Seller. Seller and Buyer agree that the results of the Assessments carried out pursuant to this Section 4.14 shall not be disclosed to any third party, unless such disclosure is required by law; provided, however, that each Party may disclose such information to such Party’s officers, directors, employees, lenders, advisors, attorneys, financing sources and accountants who need to know such information in connection with the consummation of the transactions contemplated by this Agreement and who are informed by such party of the confidential nature of such information.

**4.15 Non-Solicitation; Non-Competition.** Seller agrees that for a period of twenty-four (24) months following the Closing, Seller shall not (i) solicit or induce any of Buyer’s employees to return to the employ of Seller or any of its affiliates or otherwise attempt to retain or obtain the services of any such employee; provided, however, that Seller or its affiliates may hire any former employee who responds to a public solicitation, or (ii) acquire any television station(s) that directly compete with the Station in the Paducah-Cape Girardeau-Harrisburg DMA.



**4.16 Interim Reports.** Within thirty (30) days after the end of each calendar month during the period from the date hereof through the Closing, Seller shall provide to Buyer, with respect to the Station, the unaudited balance sheet as of the end of such month and the related combined unaudited statement of operations for such month ended of the Station. Within forty-five (45) days after the end of each quarter during the period from the date hereof through the Closing, Seller shall provide to Buyer, with respect to the Station, the unaudited balance sheet and income statement as of the end of such quarter and the related combined unaudited statement of operations for such quarter ended of the Station.

## **SECTION 5: CONDITIONS TO CLOSING**

**5.1 Mutual Conditions.** The obligations of the Parties to consummate the transactions contemplated at Closing are subject to satisfaction at the time of the Closing of each of the following conditions precedent:

(a) The FCC shall have issued the FCC Consent and any condition to the effectiveness of such FCC Consent which is specified therein shall have been met and the same shall have become Final Action; provided, however, that either Party may waive the requirement of Final Action.

(b) Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

**5.2 Conditions to Obligations of Buyer.** Buyer's obligation to consummate the transactions contemplated at Closing is subject to satisfaction at the time of the Closing of each of the following conditions precedent, any of which may be waived by Buyer as to itself only:

(a) Each of Seller's representations and warranties contained in Section 2 of this Agreement shall be true and correct in all material respects, except that those which are qualified by a standard of materiality shall be true and correct in all respects, on the Closing Date as though made on and as of the Closing Date, except to the extent they are made as of another date, in which case they shall be true and correct in all material respects (or in all respects if qualified by a standard of materiality) as of such other date, and except for any changes permitted or contemplated by the terms of this Agreement; and Seller shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Seller shall have delivered to Buyer a certificate of an officer of Seller, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraph (a) of this Section.

(c) Seller shall have delivered to Buyer a certificate dated as of the Closing Date, executed by an officer or manager thereof, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of this Agreement and the Seller Agreements and the consummation of the transactions contemplated hereby, were duly

adopted by Seller; and (ii) that such resolutions have not been amended and remain in full force and effect.

(d) Seller shall have delivered to Buyer the Consents and any estoppel certificates it has obtained (none of which are conditions to Closing, other than the Consents of any Big Four network affiliation agreements, which Big Four network consents are conditions to Closing).

(e) Seller shall have delivered to Buyer limited or special (but not general) warranty deeds (as customary in the applicable jurisdiction and subject to Permitted Liens) conveying the Owned Real Estate from Seller to Buyer in form(s) reasonably acceptable to Buyer, duly executed by Seller.

(f) Buyer shall have obtained, at its cost, a report prepared by a firm reasonably acceptable to Seller, showing the results of searches in the recording offices of all applicable jurisdictions in which any Station Assets are situated and in the office of the Secretary of State or other appropriate governmental entity of such jurisdiction demonstrating that the Station Assets are free of Liens (other than Permitted Liens).

(g) Seller shall have delivered to Buyer appropriate documents or instruments to release all Liens on the Station Assets except for Permitted Liens.

(h) Buyer shall have obtained, at Buyer's expense, a commitment for a title policy for the Real Estate, free and clear of all Liens except for Permitted Liens and the title company's standard printed exceptions.

(i) There shall not have been any material adverse change to any of the Station Assets or the Station's business, in each case taken as a whole, since the date of this Agreement except for changes or effects resulting from (i) general economic, political, or social conditions, (ii) changes affecting the television broadcast industry generally, or (iii) circumstances that are not likely to recur and have been substantially remedied without material cost or delay.

**5.3 Conditions to Obligations of Seller.** Seller's obligation to consummate the transactions contemplated at Closing is subject to satisfaction at the time of the Closing of each of the following conditions precedent, any of which may be waived by Seller as to itself only:

(a) Each of Buyer's representations and warranties contained in Section 3 of this Agreement shall be true and correct in all material respects, except that those which are qualified by a standard of materiality shall be true and correct in all respects, on the Closing Date as though made on and as of the Closing Date, except to the extent they are made as of another date, in which case they shall be true and correct in all material respects (or in all respects if qualified by a standard of materiality) as of such other date, and except for any changes permitted or contemplated by the terms of this Agreement; and Buyer shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Buyer shall have delivered to Seller a certificate of an officer of Buyer, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraph (a) of this Section.

(c) Buyer shall have delivered to Seller a certificate dated as of the Closing Date, executed by an officer or manager thereof, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of this Agreement and the Buyer Agreements and the consummation of the transactions contemplated hereby, were duly adopted by Buyer; and (ii) that such resolutions have not been amended and remain in full force and effect.

(d) Buyer shall have tendered the Purchase Price pursuant to Section 1.2.

## **SECTION 6: SURVIVAL**

**6.1 Period for Bringing Claim for Breach of Certain Covenants and of Representations and Warranties.** Any right of indemnification for a breach of one or more representations and warranties in this Agreement shall expire on the date that is fifteen (15) months following the Closing Date (the “Expiration Date”), after which no Party may seek indemnification, bring an action or present a claim for breach of any such representation, warranty or covenant; provided, that if the Party claiming breach has notified the alleged breaching Party of such breach prior to such Expiration Date, the Party claiming breach may continue to pursue its indemnification claim. The covenants and agreements in this Agreement shall survive the Closing until the performed.

## **SECTION 7: INDEMNIFICATION**

### **7.1 Indemnification.**

(a) Following the Closing, Seller shall indemnify, defend, and hold Buyer and its affiliates and their respective employees, officers, shareholders, directors, attorneys, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any losses or damages, including reasonable legal fees and costs incurred with respect to same, (collectively, “Damages”) resulting from, or arising out of (i) subject to Section 6.1, the breach by Seller of any of its representations, warranties or covenants set forth in this Agreement or in any of the Seller Agreements; (ii) any and all liabilities and obligations of Seller other than the Assumed Liabilities; or (iii) the business or operation of the Station before the Effective Time (except for the Assumed Liabilities).

(b) Following the Closing, Buyer shall indemnify, defend, and hold Seller and its affiliates and their respective employees, officers, shareholders, directors, attorneys, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any Damages resulting from, or arising out of (i) subject to Section 6.1, the breach by Buyer of any of its representations, warranties or covenants set forth in this Agreement or in any of the Buyer

Agreements to which it is a party; (ii) the Assumed Liabilities; or (iii) the business or operation of the Station after the Effective Time.

(c) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under this Section 7.1 unless the aggregate amount of the Damages exceed \$73,500 (the “Threshold”) after which the indemnifying Party will be liable for such Damages in excess of the Threshold, and (ii) the maximum aggregate liability of Seller under Section 7.1 shall be an amount equal to \$2,450,000 (the “Cap”); provided, however, that (x) claims against Seller for fraud, willful misconduct, or intentional misrepresentation shall not be subject to the Threshold or the Cap, (y) claims for any Damages incurred by the Buyer arising out of or resulting from the breach or inaccuracy of any of the representations and warranties made by Seller in Section 2.1 (Organization), Section 2.2 (Authority), Section 2.4 (No Violation/No Conflict), Section 2.5 (Title to Station Assets, etc.) solely with respect to title, Section 2.11(a) and (b) (Real Estate) solely with respect to title, Section 2.13 (Payment of Taxes, etc.) solely with respect to taxes, or Section 2.16 (Broker), and (z) those claims for any Damages against Buyer which relate to the ownership, business, and operation of the business and operation of the Station before the Closing Date shall not be subject to the Threshold and Cap.

(d) On and as of the date that is six (6) months following the Closing Date, the Cap shall be reduced to an amount equal to (x) One Million Two Hundred Twenty-Five Thousand Dollars (\$1,225,000.00) plus (y) the amount of any claims by Buyer for indemnification under this Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement. On the date that is fifteen (15) months following the Closing Date, the Cap shall be reduced to the amount of any claims by Buyer for indemnification under this Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement.

(e) The amount of any Damages indemnifiable by any indemnifying party to any indemnified party pursuant to this Section 7.1 will be reduced to reflect any amount actually recovered or recoverable by the indemnified party under the indemnified party’s insurance policies or otherwise with respect to such Damages (less any increase in premiums related thereto).

(f) All payments made by Seller or Buyer, as the case may be, to or for the benefit of the other pursuant to any indemnification obligations under this Agreement shall be treated, unless otherwise required by law, as adjustments to the Purchase Price for tax purposes and such agreed treatment shall govern for purposes of this Agreement.

(g) Buyer and Seller acknowledge and agree that, if the Closing occurs, the indemnification provisions of this Section 7.1 shall be the sole and exclusive remedies of Buyer and Seller for any breach of the representations or warranties or nonperformance of or default under any covenants or agreements of Buyer or Seller contained in this Agreement or any other agreements contemplated herein, and neither Party shall have any liability to the other Party under any circumstances for special, indirect, consequential, punitive or exemplary damages, or lost profits, or any damage calculated on the basis of a multiple of earnings, profits or similar measure, unless and to the extent such damages are payable to a third party; provided, however, that nothing contained

in this Agreement shall relieve or limit the liability of any party from any liability or Damages arising out of or resulting from such party's fraud with scienter in connection with the transactions contemplated in this Agreement. In furtherance of the foregoing, each of Buyer and Seller hereby waive, to the fullest extent permitted under applicable law, except in the case of fraud with scienter, any and all rights, claims and causes of action it may have against the other arising under or based upon any federal, state or local law, rule or regulation (including any such rights, claims or causes of action arising under or based upon common law, tort or otherwise and relating to this Agreement or any other agreements contemplated herein (including any certificates delivered pursuant to this Agreement or the transactions contemplated hereby) other than any rights, claims or actions arising under this Section 7.1. Notwithstanding the foregoing, a Party shall have the right to seek equitable relief as may be required to enforce the covenants set forth in Sections 1.2(d), 1.5, 1.6, 4.2(b), 4.12, 7, and 8.4.

## **7.2 Procedures.**

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or incurrence of Damages by the indemnified party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 6.1 if applicable.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's prior written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes the defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

## SECTION 8: MISCELLANEOUS

### 8.1 Fees and Expenses.

(a) All governmental fees imposed on the assignment or transfer any Station Assets, including recordation, sales, "bulk sales," transfer and documentary taxes and fees, shall be borne one-half by Buyer and one-half by Seller. The FCC filing fees for the Assignment Application shall be borne one-half by Buyer and one-half by Seller.

(b) Each of the Parties shall bear its own expenses in connection with the negotiation of this Agreement and the consummation of the transactions contemplated hereby, including the Buyer Agreements and Seller Agreements.

**8.2 Law Governing.** This Agreement shall be construed under and governed by the laws of the State of Illinois without regard to conflict of laws provisions.

**8.3 Notice.** Any notice or other communication required or permitted pursuant to this Agreement, or any agreement or instrument delivered pursuant hereto, shall be effective if, and only if, delivered personally, sent by facsimile transmission confirmed by the recipient (but not by automatic confirmation), sent by e-mail transmission confirmed by the recipient (but not by automatic confirmation), or sent by reputable overnight courier, such as "FedEx." A notice delivered personally shall be deemed given when delivered; a notice delivered via facsimile shall be deemed given upon confirmation of receipt by the recipient (but not by automatic confirmation); a notice delivered via e-mail shall be deemed given upon confirmation of receipt by the recipient (but not by automatic confirmation); and a notice delivered via overnight courier shall be deemed given the day after delivery to the overnight courier. If a notice is delivered by more than one of the foregoing methods, the notice shall be deemed given on the earliest date of the methods used. All such notices shall be effective only if delivered to the following (as the same be changed in accordance with this Section):

If to Buyer:

Quincy Media, Inc.  
P.O. Box 909  
Quincy, IL 62306  
Attention: Ralph M. Oakley  
Facsimile: 217-221-3402  
Email: [roakley@quincymedia.com](mailto:roakley@quincymedia.com)

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

Scholz, Loos, Palmer, Siebers & Duesterhaus LLP  
625 Vermont St.  
Quincy, IL 62301  
Attention: Steven E. Siebers  
Facsimile: 217-223-3450  
Email: [ssiebers@slpsd.com](mailto:ssiebers@slpsd.com)

If to Seller:

Before the Closing:

WSIL-TV, Inc.  
1416 Country Aire Rd.  
Carterville, IL 62918  
Attention: Steve Wheeler  
Facsimile:  
E-mail: [swheeler@wsiltv.com](mailto:swheeler@wsiltv.com)

After the Closing:

WSIL-TV, Inc.  
Steve Wheeler  
612 Country Club Ln.  
Carterville, IL 62918  
Attention: Steve Wheeler

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

Mark J. Prak  
Elizabeth Spainhour  
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.  
P.O. Box 1800 (ZIP 27602)  
150 Fayetteville Street  
Suite 1700  
Raleigh, NC 27601  
Facsimile: (919) 839-0304  
E-Mail: [mprak@brookspierce.com](mailto:mprak@brookspierce.com)  
[espainhour@brookspierce.com](mailto:espainhour@brookspierce.com)

#### **8.4 Risk of Loss.**

(a) The risk of loss or damage to the Station Assets by force majeure or for any other reason between the Effective Date and the Closing Date shall be borne by Seller.

(b) In furtherance thereof, if after the date hereof and prior to the Closing Date any of the Station Assets is lost, damaged or destroyed or otherwise not in the condition described in Section 2, Seller shall promptly notify Buyer of such loss, damage or destruction of such Station Assets, which notice shall specify in reasonable detail the nature of such loss, damage or destruction, the cause thereof (if known or reasonably ascertainable) and the insurance coverage, if any, available with respect to such lost, damaged or destroyed Station Assets, and (ii), subject to the proviso at the end of this Section 8.4(b)(ii), Seller shall repair or replace such Station Assets, including by submitting one or more claims under any applicable insurance policy maintained by the Seller with respect to such lost, damaged or destroyed Station

Assets; provided, however, that Seller will have no obligation to repair or replace in excess of One Million Dollars (\$1,000,000), and that Buyer's sole remedies if Seller elects not to fully repair or replace will be (i) to terminate this Agreement, or (ii) to close in accordance with Section 8.4(c).

(c) If any loss of or damage to the Station Assets occurs prior to the Closing Date, and repair or replacement of such Station Assets to not less than reasonable operating condition has not been made on or before the Closing Date, or the cost thereof is greater than \$1,000,000, if Seller does not repair or replace such Station Assets, then Buyer will be entitled, but not obligated, to accept the Station 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 Station Assets to a reasonable operating condition and \$1,000,000. If Buyer elects to accept damaged Station 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, Buyer 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 Buyer and any indemnified party claiming through Buyer will have no rights to indemnification under Section 7.1 of this Agreement with respect thereto.

**8.5 Construction.** The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. References to Sections shall be deemed references to Sections of this Agreement unless otherwise expressly indicated.

**8.6 Assignment; Binding Effect.** This Agreement shall not be assignable by any Party without the prior written consent of the other Party hereto, which shall not be unreasonably withheld or delayed; provided, however, that a Party may assign, without the consent of the other Party but upon prior written notice to the other Party, such Party's rights and obligations hereunder to one or more persons or entities controlling, controlled by or under common control with such Party, so long as such Party remains liable hereunder in addition to such assignee and such assignment shall not delay or adversely affect obtaining the FCC Consent. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors and permitted assigns. No assignment shall relieve a Party of any obligation or liability under this Agreement.

**8.7 Amendment; Waiver.** This Agreement may be amended or modified only by a written instrument signed by all Parties. No provisions of this Agreement may be waived except by an instrument in writing signed by the Party sought to be bound, which waiver shall specify the provision being waived. No failure or delay by any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, and a waiver of a particular right or remedy on one occasion shall not be deemed a waiver of any other right or remedy or a waiver on any subsequent occasion.

**8.8 Entire Agreement.** This Agreement (including the Schedules hereto), the Buyer Agreements and the Seller Agreements constitute the entire understanding among the Parties



relating to the subject matter hereof or thereof, and supersede all prior agreements and undertakings, both written and oral, between or among the Parties with respect to the subject matter hereof except as otherwise expressly provided herein or therein. No promises, covenants or representations of any character or nature other than those expressly stated herein have been made to induce a Party to enter into this Agreement. No Party makes any representation or warranty to the other with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement, including this provision against oral modifications, may be modified only by a document executed by both Parties.

**8.9 Severability.** If any term or provision of this Agreement or the application thereof to any circumstance shall, to any extent, be invalid or unenforceable by any court or governmental authority of competent jurisdiction, the remainder of this Agreement or the application to other persons and circumstances shall not be affected thereby and each term and provision hereof shall be enforced to the fullest extent permitted by law.

**8.10 Counterparts; Delivery.** This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution of this Agreement by facsimile or other electronic means (including without limitation portable document format (pdf)) shall be deemed effective and signatures received by facsimile or other electronic means shall be effective as original signatures.

**8.11 Bulk Transfer.** The Parties hereby waive compliance with the Bulk Transfer provisions of the Uniform Commercial Code and all similar laws.

**8.12 No Third-Party Beneficiaries.** Except as expressly provided in this Agreement, this Agreement is for the sole benefit of the Parties hereto and their permitted assigns (after any permitted assignment) and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**8.13 Schedules.** A disclosure on any of the attached Schedules is a disclosure for all purposes. Except as set forth herein, all disclosures on the Schedules hereto are made as of the date of this Agreement. The fact that any item or information is contained in the Schedules shall not be construed to mean that such item or information is required to be disclosed in or by this Agreement or that such item or information is material (as such term is used in this Agreement). The attached Schedules qualify all representations, warranties and covenants set forth in the Agreement.

**8.14 Specific Performance.** In the event of failure or threatened failure by either Party to comply with the terms of this Agreement, the other Party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. Notwithstanding the foregoing, if prior to Closing the condition described in Section 1.7(a)(iv) exists, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the Deposit, except for any

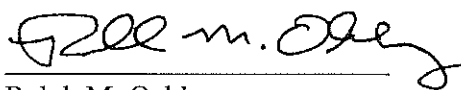
failure by Buyer to comply with its obligations related to the Deposit or Sections 4.1, 4.2(b), 4.7 or 4.10, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance.

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

*[The Next Page is the Signature Page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

**QUINCY MEDIA, INC.**

By:   
Name: Ralph M. Oakley  
Title: President

**WSIL-TV, INC.**

By: \_\_\_\_\_  
Name: Steve Wheeler  
Title: President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

**QUINCY MEDIA, INC.**

By: \_\_\_\_\_  
Name: Ralph M. Oakley  
Title: President

**WSIL-TV, INC.**

By: Steve Wheeler  
Name: Steve Wheeler  
Title: President