

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**IRONWOOD COMMUNICATIONS PORTLAND, LLC,  
AS SELLER**

**AND**

**HEARST PROPERTIES INC.  
AS BUYER**

**IN RESPECT OF WPXT(TV), PORTLAND, MAINE**

**AND**

**CERTAIN RELATED ASSETS**

**DATED AS OF JULY 26, 2018**

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “*Agreement*”) is made as of July 26, 2018 (the “*Effective Date*”), by and between Ironwood Communications Portland, LLC (“*Seller*”) and Hearst Properties Inc. (“*Buyer*”).

### W I T N E S S E T H:

**WHEREAS**, Seller owns and operates, and is the licensee of, the following broadcast television station (the “*Station*”), which services the Portland-Auburn, Maine Designated Market Area (“*Market*”):

WPXT(TV), Portland, Maine (Facility ID No. 53065)

**WHEREAS**, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain of Seller’s tangible and intangible assets used and useful in connection with the operation of the Station, pursuant to the terms and subject to the conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS; INTERPRETATION

*Section 1.1. Definitions; Interpretation.* Capitalized terms used herein have the respective meanings ascribed thereto in Part I of *Exhibit A* and elsewhere in this Agreement. This Agreement shall be interpreted in accordance with the rules of construction set forth in Part II of *Exhibit A*.

### ARTICLE II PURCHASE AND SALE

#### *Section 2.1. Purchase and Sale of Assets; Purchase Price; Deposit.*

(a) Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, convey, transfer and assign to Buyer, free and clear of all Liens (other than Permitted Liens), and Buyer shall purchase from Seller, the Purchased Assets. In consideration of the sale of the Purchased Assets and the Seller’s other covenants and obligations hereunder, Buyer agrees, pursuant to the terms and subject to the conditions hereof, to (a) pay Seller the Purchase Price, and (b) assume the Assumed Liabilities.

(b) *Deposit.* On the date of this Agreement, Buyer shall deposit, by wire transfer of immediately available funds, Two Hundred Thousand Dollars (\$200,000) (the

“**Deposit**”) in an escrow account (the “**Escrow Account**”) with US Bank (the “**Escrow Agent**”) established pursuant to the terms and conditions of an escrow agreement dated the date hereof (the “**Escrow Agreement**”) among Hearst Communications, Inc. (an Affiliate of and on behalf of Buyer), the Seller and the Escrow Agent. If this Agreement is terminated by Seller pursuant to Section 7.1(d), then the Deposit (and any interest accrued thereon) shall be disbursed to Seller as liquidated damages (and not a penalty). The parties acknowledge that Seller’s receipt of the Deposit pursuant to this Section 2.1(b) shall be the sole and exclusive remedy available to the Seller and its Affiliates and any of their respective former, current or future equity-holders, managers, members, directors, officers, employees or agents against Buyer for any liability or obligation relating to or arising out of this Agreement and the transactions contemplated hereby. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer (or its Affiliate). The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest accrued thereon to the party entitled thereto, unless such disbursement is contested by a party in good faith in writing within five (5) Business Days of a disbursement request, in which event the Deposit shall remain with the Escrow Agent until the parties’ dispute is resolved. Any failure by Buyer (or its Affiliate) to make the Deposit in accordance with this Section 2.1(b) shall constitute a material default as to which no cure period shall apply, entitling Seller to immediately terminate this Agreement by written notice to Buyer. Buyer and Seller shall share on a 50/50 basis the fees and expenses payable to the Escrow Agent pursuant to the Escrow Agreement.

***Section 2.2. Purchased Assets; Excluded Assets.***

(a) The term “**Purchased Assets**” means, all of Seller’s and its Affiliates’ right, title and interest in and to the assets, properties and business of every kind and description, wherever located, real, personal or mixed, tangible or intangible, used or held for use primarily in the Station Business, including all right, title and interest of the Seller as of Closing to the following:

(i) all assets that would be recorded or reflected on a balance sheet of the Station Business as of the Closing Date (excluding the Accounts Receivable);

(ii) [intentionally omitted];

(iii) any and all prepayments, prepaid rentals, deposits (including on leasehold interests and utilities), prepaid taxes, other prepaid expenses, and claims for refunds outstanding at the Closing and primarily relating to the Station Business, the Purchased Assets or the Assumed Liabilities or pursuant to the Assumed Contracts;

(iv) Seller’s leasehold or license interest in all of the land, buildings, structures, Towers, improvements, fixtures or other interests in real property leased or licensed by Seller that is occupied, used or held for use in connection with the Station and all improvements thereon that is described on *Schedule 2.2(a)(iv)* (the “**Leased Real Property**”);

(v) all machinery, equipment (including cameras, computers, servers, and office equipment and supplies), auxiliary and translator facilities, transmitting towers, antennae support structures, guy anchors, guy wires, transmitters, broadcast equipment,

antennae, transmission lines, transmission equipment, transmission facilities, antennae systems, cables, generators, supplies, inventory (including all films, programs, records, tapes, recordings, compact discs, cassettes, spare parts and equipment), vehicles, furniture, furnishings, fixtures, electrical devices, tools and other tangible personal property owned or leased by the Seller or any of its Affiliates and used or held for use primarily in the Station Business, including without limitation those listed on *Schedule 2.2(a)(v)* (the “***Tangible Personal Property***”);

(vi) (A) all Permits, all rights and interests of the Seller in the FCC Licenses (including in respect of the right to the call sign “WPXT(TV)”) and, to the extent assignable, all applications for any of the foregoing, together with any renewals, extensions, or modifications thereof and additions thereto and (B) all other assignable Permits issued to, or required to be obtained or maintained by, the Seller or its Affiliates by a Governmental Authority with respect to the conduct or operation of the Station Business as currently conducted or the ownership or use of the Purchased Assets;

(vii) the Station’s local FCC public inspection file, filings with the FCC relating to the Station, and all such other related information and data, FCC logs and other compliance records, correspondence, technical information and engineering data, maintenance, operating and production records, local public files, quality control records and manuals, blueprints, and regulatory files;

(viii) all other books, documents, records, ledgers, files, literature, or other similar information of the Seller and its Affiliates that relate primarily to the Station Business (in any form or medium), including all logs, programming information and studies, proprietary information, schematics, technical information and engineering data, news and advertising studies or consulting reports and sales correspondence, client lists, vendor lists, correspondence, mailing lists, revenue records, invoices, advertising materials, brochures, records of operation, standard forms of documents, manuals of operations or business procedures, photographs, blueprints, research files and materials, data books, Intellectual Property disclosures and information, media materials and plates, accounting records, Tax Returns and litigation files (but excluding the organization documents, minute and stock record books, income Tax Returns (and records related thereto) and corporate seals of the Seller);

(ix) all goodwill and going concern value relating to the Station and/or the Station Business, and all other intangible property rights primarily relating to the Station Business;

(x) all time sales agreements made in the ordinary course of business of the Station;

(xi) all of the Contracts set forth on *Schedule 3.13(a)* (unless expressly noted thereon as an Excluded Contract) and all other Contracts entered into by Seller or any of its Affiliates for the Station Business that are made between the date hereof and Closing in accordance with this Agreement (collectively, the “***Assumed Contracts***”);

(xii) logos, slogans, and all other Intellectual Property owned by or licensed to the Seller or any of its Affiliates and used or held for use in the Station Business,

along with the Station's programming materials, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers and the call signs WPXT(TV) and WPME(TV) (collectively, the "**Purchased Intellectual Property**");

(xiii) all management and other systems (including computers, servers, networking equipment, telecommunications equipment, and peripheral equipment), databases, computer software, disks and similar assets owned or leased by the Seller or any of its Affiliates which are used or held for use primarily in the Station Business, and all licenses of the Seller or any of its Affiliates to the extent relating thereto (but not any corporate computers); and

(xiv) all claims, causes of action, counterclaims, credits, choses in action, rights of recovery, rights of set-off, rights of indemnification, and rights of recoupment, including all claims for refund and insurance and indemnity claims, of the Seller or its Affiliates, as applicable, against third parties to the extent such claims, causes of action, counterclaims, credits, choses in action, and rights arise out of or relate to the Purchased Assets, the Assumed Liabilities or the Station Business, including: (A) all rights under any Assumed Contract, including all rights to receive payment for products sold and services rendered thereunder, to receive goods and services thereunder, to assert claims and to take other rightful actions in respect of breaches, defaults and other violations thereof; (B) all rights under or in respect of any Purchased Intellectual Property, including all rights to sue and recover damages for past, present and future infringement, dilution, misappropriation, violation, unlawful imitation or breach thereof, and all rights of priority and protection of interests therein under the Laws of any jurisdiction; (C) all rights, including rights to proceeds, under all guarantees, warranties, and indemnities arising from or related to the Station Business, the Purchased Assets or the Assumed Liabilities; and (D) all proceeds and rights to insurance proceeds that relate to an Event of Loss with respect to the Purchased Assets arising before the Closing that has not been repaired or cured prior the Closing Date (such proceeds, the "**Included Proceeds**").

(b) Notwithstanding Section 2.2(a), the Purchased Assets shall not include, and Buyer shall not acquire from Seller pursuant to this Agreement, any of the Excluded Assets. "**Excluded Assets**" means the following:

(i) any of the rights of the Seller under this Agreement and the Ancillary Agreements;

(ii) all amounts payable to Seller prior to the Closing, if any, from the United States Copyright Office or such arbitral panels as may be appointed by the United States Copyright Office which have not been paid to Seller as of the Closing and that relate to the Station;

(iii) any rights of Seller under any insurance policies owned by Seller, other than the Included Proceeds;

(iv) refunds or claims for refunds with respect to Taxes paid or to be paid by the Seller with respect to the period through the Closing Date;

(v) the Accounts Receivable solely to the extent attributable to periods prior to the Closing;

(vi) all Contracts set forth on *Schedule 2.2(b)(vi)* that are designated therein as an “Excluded Contract” and all Accounts Receivable under such Excluded Contracts;

(vii) all cash and cash equivalents, bank accounts, investment and other securities of the Station, other than Included Proceeds;

(viii) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station, to the extent arising out of transactions or events occurring prior to Closing, except to the extent that any such rights, claims or causes of action are Current Assets or otherwise arise out of the Purchased Assets or Assumed Liabilities;

(ix) the personal property listed on *Schedule 2.2(b)(ix)*; and

(x) Seller’s corporate name and trade names, charter documents, business records, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Station and the Station Business, and all records of Seller not relating to the Purchased Assets.

***Section 2.3. Assumed Liabilities; Buyer Not Successor to Seller; Excluded Liabilities.***

(a) Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, convey, transfer and assign to Buyer, and Buyer shall assume from Seller, only the Assumed Liabilities. “***Assumed Liabilities***” means the following (and only the following), and only to the extent not excluded pursuant to Section 2.3(b):

(i) liabilities, obligations and commitments under the Assumed Contracts accruing with respect to the period commencing on and after the Closing Date (excluding, however, any liability or obligation or commitment arising from or relating to the performance or non-performance thereof prior to the Closing Date);

(ii) all accounts payable and accrued expenses incurred by the Station Business in the ordinary course of the Station Business consistent with past practice, solely to the extent reflected on *Schedule 2.3(a)(ii)*; and

(iii) all Taxes allocated to Buyer pursuant to the terms and subject to the conditions of Section 5.6.

(b) Buyer shall not be the successor to Seller, and Buyer expressly does not assume and shall not become liable to pay, perform or discharge, any obligation or liability whatsoever of the Seller or its Affiliates or relating to the Station Business or any of the Purchased Assets other than the Assumed Liabilities. All obligations, liabilities and commitments other than the Assumed Liabilities are referred to herein as the “***Excluded Liabilities***.” Seller shall pay, perform and discharge when due, all of the Excluded Liabilities. Without limitation of the foregoing, the term “***Excluded Liabilities***” includes the following liabilities, whether accrued or fixed, absolute or contingent, known or unknown, determined or determinable, and, unless otherwise expressly provided herein, whenever arising:

- Excluded Assets;
- (i) all liabilities and obligations relating to or arising out of the
  - (ii) all liabilities for Indebtedness or any off-balance sheet liability of the Seller or its Affiliates (unless specifically included on *Schedule 2.3(a)(ii)*);
  - (iii) all Taxes allocated to Seller pursuant to the terms and subject to the conditions of Section 5.6;
  - (iv) all liabilities for Seller Expenses;
  - (v) all liabilities arising from or related to any noncompliance with any Law by the Seller or its Affiliates;
  - (vi) all liabilities to the extent arising from or related to any proceedings against the Seller or its Affiliates, the Station Business or the Purchased Assets pending as of the Closing or based upon any action, event, circumstance or condition arising prior to the Closing Date;
  - (vii) any claims, demands, liabilities or obligations of any nature whatsoever (including claims, demands, liabilities or obligations in respect of environmental matters, occupational safety, workers' or workmen's compensation, grievance proceedings or actual or threatened litigation, suits, claims, demands or governmental proceedings) which arose or were incurred before the Closing Date, or which arise from or are based on events occurring or conditions existing before the Closing Date;
  - (viii) all liabilities and obligations of any kind arising in connection with the employment of any employee by Seller or any of its Affiliates in connection with the Station prior to Closing (including, for the avoidance of doubt, wages, vacation, bonuses, insurance, and any other employee benefits) or in connection with any Employee Plan;
  - (ix) all liabilities (A) of the Seller or its Affiliates under or relating to the WARN Act and any similar state statutes and Laws, (B) relating to the termination by the Seller or its Affiliates of the Station's employees and independent contractors of the Seller or its Affiliates other than liabilities relating to the termination of Transferred Employees if such termination occurred after the date of transfer, or (C) relating to the termination by the Buyer of the Transferred Employees to the extent such termination occurred within 60 days after the Closing Date and was due to such person's refusal to join the applicable union (including any severance that would have been payable to such employee had such employee been terminated by the Seller or its Affiliates in connection with Closing);
  - (x) all liabilities under Code Section 4980B or Sections 601-608 of ERISA or other applicable Laws for any employee or independent contractor (and their dependents) with respect to any group health plan of any of the Seller or its Affiliates;
  - (xi) all intercompany payables of the Station Business owing to any Affiliate of the Seller;

(xii) all liabilities of the Station Business owing to any Related Parties of the Seller or its Affiliates, together with all liabilities owing to any spouses, parents, children, grandparents, grandchildren and siblings, including adoptive relationships and relationships through marriage of any director, executive officer, general partner or managing member of Seller or its Affiliates, or any other relative of such Person that shares such Person's home;

(xiii) all liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of the Seller or its Affiliates (including with respect to any breach of fiduciary obligations by any such party);

(xiv) all liabilities or obligations to present or former members of Seller;

(xv) all liabilities and obligations of the Seller under this Agreement and the Ancillary Agreements or otherwise in connection with the transactions contemplated hereby and thereby;

(xvi) any obligations, liabilities or commitments under the Assumed Contracts to the extent such obligations, liabilities and commitments relate to the period prior to the Closing Date;

(xvii) all liabilities (x) arising out of any Contract that is not an Assumed Contract or (y) relating to any breach, default or non-performance by the Seller or its Affiliates under any Assumed Contract;

(xviii) all liabilities pursuant to, under, or in respect of any Environmental Law arising from or related to any action, event, circumstance or condition occurring or existing on or prior to the Closing Date;

(xix) except as otherwise provided in Section 2.3(a)(i), any liability or obligation to third parties and claims from third parties to the extent based on circumstances existing prior to the Closing Date or the conduct of the Station Business to the extent such conduct occurred before the Closing Date;

(xx) except as otherwise provided in Section 2.3(a)(i), all other obligations and liabilities arising from the operation of the Station Business or the ownership of the Purchased Assets prior to the Closing Date; and

(xxi) all liabilities not related primarily to the Purchased Assets.

**Section 2.4. Closing.** Pursuant to the terms and subject to the conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place by the electronic exchange of documents within five (5) Business Days after the date on which the conditions set forth in Article VI are satisfied or, if legally permissible, waived (other than those conditions that by their nature are to be satisfied (or validly waived) at the Closing, but subject to such satisfaction or waiver), or on such other date as the parties may mutually agree upon in writing (such date of the Closing hereinafter referred to as the "**Closing Date**"). Closing shall be deemed to be effective as of 12:01 a.m. on the Closing Date.



***Section 2.5. Procedures for Certain Purchased Assets Not Freely Transferable.***

(a) Other than with respect to the FCC Licenses (which are subject to the FCC Consent and governed by Section 5.1), if any property or right included in the Purchased Assets is not assignable or transferable to Buyer either by virtue of the provisions thereof or under applicable Law without the consent of one or more third Persons (each, a “***Non-Assignable Right***”), the Seller shall use its commercially reasonable efforts to obtain such consents (which shall not require any payment to any third party) after the execution of this Agreement until such consent is obtained, and Buyer shall cooperate, to the extent commercially reasonable, with the Seller in such efforts. If any such consent in respect of a Non-Assignable Right cannot be obtained prior to the Closing Date and the Closing shall occur, this Agreement and the related instruments of transfer shall not constitute an assignment or transfer thereof, but (A) the Seller shall use its commercially reasonable efforts to obtain such consent as soon as possible after the Closing Date, (B) Buyer shall cooperate, to the extent commercially reasonable, with the Seller in its efforts to obtain such consents, and (C) the Seller shall use commercially reasonable efforts to effect an arrangement under which Buyer shall receive the benefits of such property or right from and after the Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller’s obligations arising with respect to such property or right from and after the Closing. Notwithstanding anything in this Agreement to the contrary, no such consents are conditions to Closing except for the FCC Consent and the third-party consents set forth on *Schedule 2.5(a)* (the “***Required Consents***”).

(b) To the extent that any Assumed Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to the Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Assumed Contract; provided, however, with respect to each such Assumed Contract, the Seller shall use all commercially reasonable efforts to effect an arrangement under which Buyer shall receive the benefits under the Assumed Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller’s obligations arising under the Assumed Contract from and after Closing in accordance with its terms.

(c) If any of the Permits included in the Purchased Assets are not so assignable or transferable without obtaining a replacement license or permit, this Agreement and the related instruments of transfer shall not constitute an assignment or transfer thereof, and the Seller shall cooperate with Buyer in its efforts to obtain replacement licenses or permits issued in Buyer’s name. If any replacement license or permit cannot be obtained prior to the Closing Date and the Closing occurs, the Seller agrees to allow Buyer to operate under its Permits if permitted by applicable Laws or applicable Governmental Authorities for a period of up to ninety (90) days after the Closing (or such longer period as may be reasonably necessary for Buyer, using its commercially reasonable efforts, to obtain the replacement licenses or permits).

***Section 2.6. Allocation.***

(a) After Closing, Buyer and the Seller shall allocate the Purchase Price (including the Assumed Liabilities) in accordance with the respective fair market values of the Purchased Assets in accordance with the requirements of Section 1060 of the Code (the “***Purchase Price Allocation***”).

(b) In the event that Buyer and the Seller are unable to agree on the Purchase Price Allocation, Buyer and the Seller shall negotiate in good faith to resolve any such dispute(s). If the parties are unable to agree upon the Purchase Price Allocation within sixty (60) days after the commencement of good faith negotiations (or such longer period as the Seller and Buyer shall mutually agree in writing), the disputed portion(s) shall be arbitrated by the Referee (which may in turn select an appraiser if needed). Only items specified in the written objection shall be subject to adjustment by the Referee.

(c) The Seller and Buyer agree to act in accordance with such allocation in any Tax Return, including any forms or reports required to be filed pursuant to Section 1060 of the Code or any provisions of any comparable Law, unless there has been a final “determination,” as defined in Section 1313(a) of the Code, in which the allocation is modified. Buyer and the Seller shall cooperate in the preparation of such Tax Returns and file such forms as required by applicable Law. Neither Buyer nor Seller shall take a position inconsistent therewith upon examination of any Tax Return, in any refund claim, or in any litigation or investigation, without the prior written consent of the other party, except as required by applicable Law. In the event that the Purchase Price Allocation is disputed by any Governmental Authority, the party receiving notice of the dispute shall promptly notify the other party hereto in writing of such notice and resolution of the dispute.

**Section 2.7. Escrow.** At Closing, Buyer shall deposit, by wire transfer of immediately available funds, a portion of the Purchase Price equal to One-Hundred Thirty-Five Thousand Dollars (\$135,000) in the Escrow Account, which, together with the Deposit (following Closing), shall secure the indemnification obligations of the Seller set forth in Article VIII (such amount, together with the Deposit, the “**Escrow Funds**”). Following Closing, the parties shall each instruct the Escrow Agent to disburse the Escrow Funds and all interest accrued thereon to the party entitled thereto, unless such disbursement is contested by a party in good faith in writing within five (5) Business Days of a disbursement request, in which event the Escrow Funds shall remain with the Escrow Agent until the parties’ dispute is resolved. Buyer and Seller shall share on a 50/50 basis the fees and expenses payable to the Escrow Agent pursuant to the Escrow Agreement.

**Section 2.8. Determination of Purchase Price; Payment on Closing Date.**

(a) At least three (3) Business Days prior to the Closing Date, Seller shall deliver to the Buyer a certificate executed on behalf of Seller by an authorized officer thereof, dated the date of its delivery, setting forth the Seller’s good faith estimate of the Closing Date amounts for the line items listed on *Schedule 2.3(a)(ii)*. Buyer and Seller shall mutually agree on the Closing Date amounts for the line items listed on *Schedule 2.3(a)(ii)* prior to the Closing Date.

(b) The Purchase Price shall be increased and/or decreased in accordance with *Schedule 2.3(a)(ii)*, as it is finally agreed by Buyer and Seller prior to the Closing Date.

(c) On the Closing Date, the Buyer shall pay the Seller an amount equal to the Purchase Price (as adjusted pursuant to Section 2.8(b)), minus the Escrow Funds (the “**Closing Date Payment**”) by bank wire transfer of immediately available funds to such bank account or

accounts designated by the Seller for such purpose not less than one (1) Business Day before the Closing Date.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER**

In order to induce Buyer to enter into this Agreement and to purchase the Purchased Assets and assume the Assumed Liabilities, the Seller hereby represents and warrants to Buyer as follows as of the date hereof and as of the Closing (unless otherwise specified as of a specific date):

**Section 3.1. Organization, Standing and Power.** Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its organization and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Seller is duly qualified to do business and is in good standing in each jurisdiction in which the Purchased Assets are located. The Seller has operated the Station Business solely through Seller and not through any other Affiliate of the Seller.

**Section 3.2. Authority; Binding Agreements.** The execution and delivery of this Agreement and the other agreements, certificates and documents delivered in connection herewith and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of Seller and Seller's members and do not require any further authorization or consent on the part of Seller or its members. Seller has all requisite power and authority to enter into this Agreement and the other agreements, certificates and documents delivered in connection herewith and to consummate the transactions contemplated hereby and thereby, and this Agreement and the other agreements, certificates and documents delivered in connection herewith have been, or upon execution and delivery thereof will be, duly executed and delivered by Seller. This Agreement and the other agreements, certificates and documents delivered in connection herewith are, or upon execution and delivery thereof will be, the valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity).

**Section 3.3. Financial Statements.** Schedule 3.3 contains (a) the unaudited balance sheets of the combined Station Business and Sibling Station Business as of December 31, 2017 and December 31, 2016, respectively, and the related statements of income for the years then ended (the "**Financial Statements**") and (b) the unaudited balance sheet (the "**Balance Sheet**") of the Station Business as of April 30, 2018 (the "**Balance Sheet Date**") and the related statement of income for the four months ended April 30, 2018 (the "**Income Statement**"). Each of the Financial Statements, the Balance Sheet and Income Statement (i) are correct and complete in all material respects and have been prepared in accordance with the books and records of the Seller pertaining to the Station Business, and (ii) present fairly, in all material respects, the financial position and results of operations of the Station Business as of their

respective dates and for the respective periods covered thereby. The books of account and financial records of the Seller pertaining to the Station Business are true and correct and have been prepared and are maintained in accordance with sound accounting practices in all material respects. The Seller has not, between December 31, 2017 and the date of this Agreement, made or adopted any material change in its accounting methods, practices or policies in effect on December 31, 2017. The Sibling Station is no longer owned by Seller or any Affiliate of Seller.

***Section 3.4. Tangible Personal Property Sufficiency of Assets.***

(a) *Schedule 2.2(a)(v)* lists all items of Tangible Personal Property included in the Purchased Assets as of the date of this Agreement. Except as otherwise set forth on *Schedule 2.2(a)(v)*, all items of Tangible Personal Property are, to the Knowledge of Seller, in normal operating condition and adequate repair (ordinary wear and tear excepted), consistent with customary engineering practices in the broadcast television industry.

(b) Seller owns and has good title to the Tangible Personal Property listed on *Schedule 2.2(a)(v)*, and none of the Tangible Personal Property included in the Purchased Assets is subject to any Liens, except for Permitted Liens.

(c) Except for the Excluded Assets, the Purchased Assets constitute all of the assets, properties and rights necessary to operate the Station Business in substantially the same manner as such operations have heretofore been conducted by Seller in all material respects.

***Section 3.5. Conflicts; Consents.*** The execution and delivery of this Agreement and the other agreements, certificates and documents to which Seller is a party as contemplated hereby, the consummation of the transactions contemplated hereby or thereby and compliance by Seller with any of the provisions hereof or thereof do not and will not require consent from, notification or filing with, or conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default (or an event that, with notice or lapse of time or both, would become a default), an event of default or an event creating rights of acceleration, termination, cancellation, revocation, payment or a loss of rights under, or result in the creation or imposition of any Lien (except Permitted Liens) upon any of the Purchased Assets under:

(a) any constitutive or organizational documents of Seller or any of its Affiliates;

(b) other than as set forth on *Schedule 3.13(a)*, any of the provisions of any note, bond, lease, mortgage, indenture, license, franchise, permit, agreement, Contract or other instrument or obligation (other than the FCC Licenses) to which Seller is a party, or by which the Station or any of the Purchased Assets may be bound or affected;

(c) subject to receipt of the FCC Consent, any Law applicable to Seller, the Station or any of the Purchased Assets;

(d) any judgment, Order, award or decree to which such Person is a party or any of the Purchased Assets is subject or by which such Person is bound; and

(e) except for the FCC Consent, any Governmental Authority.

### ***Section 3.6. Operations Since Balance Sheet Date***

(a) Except as set forth in *Schedule 3.6*, from the Balance Sheet Date to the date of this Agreement, there have been no events, changes or occurrences or state of facts, including any change in the financial condition or the results of operations of the Station Business, which, individually or in the aggregate, have had or would reasonably be reasonably likely to have a Material Adverse Effect.

(b) Except as set forth in *Schedule 3.6*, from the Balance Sheet Date through the date of this Agreement, the Seller has operated the Station Business in the ordinary course of the Station Business consistent with Seller's past practice in all material respects.

***Section 3.7. No Undisclosed Liabilities.*** There are no liabilities with respect to the Station Business or the Purchased Assets (including, to Seller's Knowledge, any unasserted claims), whether absolute, contingent, accrued or otherwise, except for liabilities which are (a) reflected or reserved for on the Balance Sheet, (b) incurred in the ordinary course of the Station Business consistent with Seller's past practice since the Balance Sheet Date, or (c) liabilities to be performed in the ordinary course of the Station Business consistent with Seller's past practice pursuant to the Assumed Contracts.

***Section 3.8. Employees.*** Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station Business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining. There is no unfair labor practice charge or complaint against Seller in respect of the Station Business pending or, to Seller's Knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Station Business. Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Station, and to Seller's Knowledge, no union represents or claims to represent or is attempting to organize such employees. *Schedule 3.8* contains: (a) a complete and accurate list of all full-time, part-time and per diem employees of the Seller as of the date of this Agreement whose employment relates primarily to the Station Business, including each of their respective job titles, dates of hire, rates of pay and other compensation entitlements, and whether such employee (i) is not then on authorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights ("***Active Employees***") or (ii) is then on authorized leave of absence, sick leave, short term disability leave, military leave or layoff with recall rights and who returns to active employment immediately following such absence and within six (6) months of the Closing Date, or such later date as required under applicable Laws ("***Inactive Employees***"); and (b) the current rate of annual base salary provided by the Seller to such employees as of the date hereof.

### ***Section 3.9. Employee Benefits.***

(a) *Schedule 3.9(a)* sets forth a true, correct and complete list of all Employee Plans in which a Station employee participates or with respect to which a Station employee is a party. With respect to each such Employee Plan, true, correct and complete copies of such

documents as have been reasonably requested by the Buyer in order to satisfy its obligations under Section 5.4 have been made available to the Buyer.

(b) None of the Employee Plans in which a current or former Station employee participates or participated is a Multiemployer Plan or a Pension Plan that is subject to either Title IV of ERISA or Section 412 of the Code, and neither the Seller nor any ERISA Affiliate has, since May 21, 2013, sponsored or contributed to, a Multiemployer Plan or a Pension Plan or has any liability to any such plan.

(c) Each Employee Plan intended to be qualified under Section 401(a) of the Code in which a Station employee participates or participated and each related trust agreement, annuity contract, or other funding instrument either (i) has received a favorable determination letter from the Internal Revenue Service to the effect that it satisfies the requirements of Section 401(a) of the Code and that its related trust is exempt from taxation under Section 501(a) of the Code, or (ii) is a mass submitter plan that is the subject of an opinion or advisory letter on which employers may rely, and to Seller's Knowledge, nothing has occurred subsequent to the date of such favorable determination that would cause the loss of such qualification or the imposition of a material liability.

(d) Each Welfare Plan in which a Station employee participates or participated and which is a Group Health Plan has been operated in compliance with the provisions of COBRA, except for such noncompliance as is not likely to impair the Buyer's rights under the Purchased Assets or result in a liability to Buyer.

(e) Each Employee Plan in which a Station employee participates or participated, to Seller's Knowledge, has been maintained, operated and administered in all respects in compliance with, and is in compliance with, both as to form and operation, its terms and all applicable Law, except for such noncompliance as is not likely to impair the Buyer's rights under the Purchased Assets or result in a liability to Buyer.

(f) Except as would not reasonably be expected to impair the Buyer's rights under the Purchased Assets or result in a liability to Buyer, neither the execution of this Agreement nor the consummation of the contemplated transactions (whether alone or together with any other events) will (i) result in any material payment or benefit becoming due to a Station employee, (ii) increase any benefits otherwise payable to any Station employee, or trigger any funding obligation to any Employee Plan with respect to a Station employee, (iii) result in any loan forgiveness to any Station employee, (iv) result in the acceleration of the time of, or otherwise secure the funding of, payment or vesting of any benefits with respect to a Station employee, or (v) result in any payment or benefit (whether in cash or property or the vesting of property) to any "disqualified individual" (as such term is defined in Treasury Regulation Section 1.280G-1) that, individually or in combination with any other such payment, constitutes an "excess parachute payment" (as defined in Section 280-G(b)(1) of the Code).

**Section 3.10. Good Title.** Seller has good and marketable title to, or valid contract rights to, as applicable, all of the Purchased Assets, free and clear of all Liens (other than Permitted Liens and Liens to be discharged at the Closing pursuant to the terms and subject to the conditions set forth in this Agreement). At the Closing, Buyer will acquire from Seller, good

and marketable title to, or valid contract rights to, as applicable, all of the Purchased Assets, free and clear of all Liens (other than Permitted Liens and Liens to be discharged at the Closing pursuant to the terms and subject to the conditions set forth in this Agreement).

### ***Section 3.11. Real Property.***

(a) *Schedule 2.2(a)(iv)* sets forth a description of all Leased Real Property included in the Purchased Assets.

(b) Seller has a good, valid and existing leasehold or license interest, as applicable, in the Leased Real Property, free and clear of all Liens affecting title to or the use and occupancy of such Leased Real Property, as applicable, except for Permitted Liens.

(c) Seller has provided Buyer with true and complete copies of the leases or licenses constituting the Leased Real Property (the “**Leases**”). Except as set forth on *Schedule 2.2(a)(iv)*, Seller is the sole owner and holder of all of the license or other real property interests granted by the Leases none of the Leases are subject to any option, lease, license, sublease or other occupancy agreement in which Seller has granted to any third party any right to use, occupy or enjoy any portion of the Leased Real Property. Seller has enjoyed peaceful and undisturbed possession under the Leases. Except as set forth on *Schedule 2.2(a)(iv)*, Seller has not received any written notice of default under the Leases that remains outstanding or uncured as of the Effective Date. Except as set forth on *Schedule 2.2(a)(iv)*, no event has occurred which now constitutes, or which upon the giving of notice or the passage of time, or both, would give rise to, any material default in the performance by it of any obligation under the Leases. Each of the Leases constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors’ rights or by general equity principles. As of the date hereof, (i) each of Leases is in full force and effect, (ii) all required deposits and additional rents due to date pursuant to each Lease have been paid in full, (iii) Seller has not prepaid rent or any other amounts due under a Lease more than thirty (30) days in advance, and (iv) no party has any rights of offset against any rents, required security deposits and additional rents payable under a Lease.

(d) The Leased Real Property constitutes all interest in real property currently used or held for use in connection with the Station Business or which are necessary for continued operation of the Station as currently operated.

### ***Section 3.12. Intellectual Property.***

(a) *Schedule 3.12(a)* contains a true and complete list of all patents and patent applications, registered and material unregistered Trademarks and registered copyrights, in each case, that are included in the Purchased Intellectual Property, including any pending applications to register any of the foregoing. The Seller exclusively owns, free and clear of any and all Liens (except Permitted Liens), all Purchased Intellectual Property identified on *Schedule 3.12(a)* and all other Purchased Intellectual Property.

(b) To the Seller's Knowledge, the Station Business is not materially infringing, misappropriating or otherwise violating any Intellectual Property owned by any third party. To the Seller's Knowledge, no third party is materially misappropriating or infringing any Purchased Intellectual Property.

(c) There are no actions, suits or proceedings by or before any court or any Governmental Authority which are pending or, to the Seller's Knowledge, threatened regarding or disputing the ownership, registrability or enforceability, or use by the Seller, of any Purchased Intellectual Property, other than the review of pending patent and trademark applications by applicable Governmental Authorities, nor to the Seller's Knowledge is there a reasonable basis for any claim that it does not so own any of such Purchased Intellectual Property except for Purchased Intellectual Property that is licensed to the Seller by a third party licensor pursuant to a written license agreement that remains in effect. The Seller is not a party to any outstanding Order that restricts, in a manner material to the Station Business, the use or ownership of any Purchased Intellectual Property.

### ***Section 3.13. Contracts.***

(a) Except as set forth in *Schedule 3.13(a)*, there are no Contracts existing on the date of this Agreement primarily relating to the Station Business or the Purchased Assets of the following nature (such Contracts as are required be set forth on *Schedule 3.13(a)*, being "***Material Contracts***"):

(i) any Contract for the purchase, sale, license or lease of assets, or for the provision of services, with a value in excess of \$10,000 or with a remaining term of longer than one year;

(ii) any programming Contract or film or program license Contract for rights to broadcast television programs or shows as part of the Station's programming;

(iii) any retransmission Contract with any MVPDs with more than 1,000 paid subscribers;

(iv) any Contract that is a "local marketing agreement" or time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, local news sharing agreement or similar Contract;

(v) any partnership, shareholder, joint venture, or other similar Contract;

(vi) any affiliation Contract with a national television network;

(vii) any Contract for capital expenditures in excess of \$10,000;

(viii) any employment agreement or other Contract with any individual employee, independent contractor or consultant;



(ix) any Contract pursuant to which the Seller is the lessee or lessor of, or holds, uses, or makes available for use to any Person, (A) any real property or (B) any Tangible Personal Property and, in the case of clause (B), that involves an aggregate future or potential liability or receivable, as the case may be, in excess of \$10,000;

(x) any Contract relating to or evidencing Indebtedness of the Station Business or Seller or its Affiliates in connection with the Station Business, including mortgages, other grants of security interests, guarantees or notes;

(xi) any Contract with any Governmental Authority;

(xii) any Contract with any Related Party of the Seller;

(xiii) any Contract that limits, or purports to limit, the ability of the Seller or the Station Business to compete in any line of business or with any Person or in any geographic area or during any period of time, or that restricts the right of the Seller or the Station Business to sell to or purchase from any Person or to hire any Person, or that grants the other party or any third person "most favored nation" status or any type of special discount rights;

(xiv) any Contract related in whole or in part to any Purchased Intellectual Property;

(xv) any Contract (other than any Contract of the type described in clauses (i) through (xiv) above) that primarily relates to the Station Business that is not terminable by the Seller without penalty on ninety (90) days' notice or less and which is reasonably expected to involve the payment by the Seller after the date hereof of more than \$50,000 per annum; and

(xvi) any other Contract that is material to the Station Business, taken as a whole.

(b) All Contracts listed on *Schedule 3.13(a)* are Assumed Contracts. *Schedule 3.13(a)* indicates whether the consent of a third Person is required in order to assign the Contract as contemplated by this Agreement and the transactions contemplated thereby.

(c) Each Assumed Contract is a legal obligation of Seller, valid and binding on, and enforceable in accordance with its terms against, Seller and, to Seller's Knowledge, any other party thereto, and is in full force and effect. Except as set forth on *Schedule 3.13(a)*, there exists no default, or any event which upon notice or the passage of time, or both, could reasonably be expected to give rise to any default in the performance by Seller or by any other party under any Assumed Contract. Seller has not received any written notice that any party to any Assumed Contract intends to cancel or terminate any Assumed Contract. Seller has made available to Buyer true and complete copies of all written Assumed Contracts.

**Section 3.14. MVPD Matters.** *Schedule 3.14* contains, as of the date hereof, (i) a list of the Station's retransmission consent Contracts existing as of the date hereof to which Seller is a party with any MVPD that carries the Station, and (ii) a list of the MVPDs that, to the Seller's

Knowledge, carry the Station outside of the Station's Market, including the channel position of the Station (including any multicast channel). Except as set forth on *Schedule 3.14*, Seller has entered into retransmission consent contracts with respect to each MVPD that has more than one thousand (1,000) paid subscribers in the Station's Market. Except as set forth on *Schedule 3.14*, to the Seller's Knowledge, as of the date of this Agreement, no MVPD is retransmitting the signal of the Station without the authorization of the Seller. Except as set forth on *Schedule 3.14*, (x) no MVPD with more than 1,000 subscribers in the Station's Market has provided written notice to the Seller of any material signal quality issue or has failed to respond to a request for carriage or, to the Seller's Knowledge, sought any form of relief from carriage of the Station from the FCC and (y) the Seller has not received any written notice from any MVPD with more than 1,000 subscribers in the Market of such MVPD's intention to delete the Station from carriage or to change the Station's channel position.

***Section 3.15. Compliance with Law.*** During the past five years, the Station Business and the business and operations of the Station have been, are and as of the Closing Date will have been, conducted in all material respects in compliance with all applicable Laws. During the past five years, the Seller has not received any written notice of violation of any applicable Laws.

***Section 3.16. Regulatory Matters.***

(a) Seller is legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder, to be the licensee of, and to own and operate the Station. To Seller's Knowledge, no fact or circumstance exists relating to the FCC qualifications of Seller or the Station that (i) could reasonably be expected to prevent or delay the FCC from granting the FCC Consent, (ii) would otherwise disqualify Seller as the licensee, owner, operator or transferee of the Station or (iii) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent.

(b) *Schedule 3.16(b)* lists all FCC Licenses and all material Permits and all pending applications filed with the FCC by Seller with respect to the Station as of the date hereof (other than any such applications to be filed with the FCC in connection with the transactions contemplated by this Agreement). Other than as set forth on *Schedule 3.16(b)* or the Contingent Modification Application(s), to Seller's Knowledge, no material licenses, permits, construction permits, approvals, concessions, franchises, certificates, consents, qualifications, registrations, privileges, or other authorizations of any character whatsoever are required by applicable Law or any Governmental Authorities to legally own and operate the Station and the Purchased Assets and conduct the Station Business in the manner and to the full extent that the Station Business is currently operated and will be operated by Seller on the Closing Date. The FCC Licenses are validly held by Seller, and the FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded, or terminated. The FCC Licenses have been issued for the full terms customarily issued to a broadcast television station, and the FCC Licenses are not subject to any condition or restriction except for those conditions or restrictions appearing on the face of the FCC Licenses and conditions applicable to broadcast television licenses generally or otherwise set forth on *Schedule 3.16(b)*. Seller has received written notice from the FCC that the Station has been reassigned to a new channel in the repacking process associated with the Incentive Auction (the "***Repack***") and has received an FCC construction permit with respect

thereto. Except with respect to the Repack, Seller has completed the construction of all facilities or changes authorized by any of the FCC Licenses.

(c) No application is pending for the renewal of any FCC License. Except as set forth on *Schedule 3.16(b)*, there is not issued, outstanding, pending, or, to Seller's Knowledge, threatened, by or before the FCC any order to show cause, notice of violation, notice of apparent liability, order of forfeiture, complaint, investigation, petition, inquiry, action, or proceeding with respect to the Station or the FCC Licenses, other than proceedings of general applicability to the broadcast television industry and proceedings related to the Repack, and to Seller's Knowledge, there are no facts that would reasonably be expected to result in any of the foregoing or the revocation, suspension, cancellation, rescission, termination, or material modification of, or refusal to renew in the ordinary course, any FCC Licenses (other than modifications in connection the Repack as contemplated in *Exhibit B*).

(d) The Station is owned and operated by Seller in accordance with the FCC Licenses and in material compliance with the Communications Act. The Station is operating at the effective radiated power authorized under the FCC Licenses. To Seller's Knowledge, the Station does not cause or receive any material interference that is in violation of the Communications Act or any other applicable Laws. All material returns, applications, reports, disclosures, statements and other filings that Seller is required to have filed with the FCC with respect to the Station or filed in the Station's public inspection file have been timely filed, and all FCC regulatory fees due and payable with respect to the Station have been timely paid.

(e) Except as set forth on *Schedule 3.13(a)*, Seller is not a party to any local marketing agreement, time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, news sharing agreement or other similar Contract with respect to the Station.

**Section 3.17. Litigation.** Except as set forth on *Schedule 3.17*, there have not been during the last five years and there are no claims, actions, suits, Orders, proceedings or investigations pending or, to Seller's Knowledge, threatened before any court, arbitrator or Governmental Authority or against or involving the Seller with respect to the Station or the Purchased Assets, nor, to Seller's Knowledge, is there any reasonable basis on which any claim, action, suit, proceeding or investigation may be brought in the future. There is no outstanding writ, judgment, stipulation, injunction, decree, determination, award or other order of any Governmental Authority against, or to the Seller's Knowledge, threatened against, Seller relating to the Station Business or that materially adversely affects the condition (financial or otherwise), operations or prospects of the Station Business.

**Section 3.18. Insurance.** The Seller currently maintains, in respect of the Purchased Assets, the Station and the Station Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are in the judgment of the Seller prudent for the Station Business. The Seller has not received written notice of, nor to the Seller's Knowledge is there threatened, any cancellation, termination, reduction of coverage or material premium increases with respect to any such policy. With respect to the Station Business, there are no outstanding claims under any insurance policy or

default with respect to provisions in any such policy which claim or default, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

**Section 3.19. *Certain Business Practices.*** Neither the Station Business (including the Seller with respect to the Station Business), nor, to the Seller's Knowledge, any representative of the Station Business (including the Seller with respect to the Station Business), acting in such capacity, has, directly or indirectly, (a) offered, paid, promised to pay, or authorized a payment, of any money or other thing of value (including any fee, gift, sample, travel expense or entertainment) or any commission payment, or any payment related to political activity, to any government official or employee, to any employee of any organization owned or controlled in part or in full by any Governmental Authority, or to any political party or candidate, to influence the official or employee to act or refrain from acting in relation to the performance of official duties, with the purpose of obtaining or retaining business or any other improper business advantage or (b) taken any action which would cause them to be in violation of the Foreign Corrupt Practices Act of 1977 or any other anti-corruption or anti-bribery Law applicable to them (whether by virtue of jurisdiction or organization or conduct of business).

**Section 3.20. *Transactions with Related Party.*** No Related Party of the Seller has: (a) borrowed money from or loaned money to the Station Business or the Seller or its Affiliates with respect to the Station Business that remains outstanding or that will not be discharged in accordance with this Agreement; (b) has had any business dealings or a financial interest in any transaction with the Station Business or with the Seller involving the Station Business or any of the Purchased Assets, other than business dealings or transactions conducted in the ordinary course of business at prevailing market prices and on prevailing market terms; or (c) any contractual or other claim, express or, to the Seller's Knowledge, implied, of any kind whatsoever against or in respect of the Station Business.

**Section 3.21. *Taxes.*** Seller has timely filed or caused to be filed all Tax Returns that are required to have been filed by it with respect to the Purchased Assets or the Station Business and has maintained all required records relating to Taxes with respect to or covering the Purchased Assets or the Station Business. All such Tax Returns are true and complete in all material respects. Seller has timely paid all Taxes that have become due and payable under applicable Law in connection with the Purchased Assets, except for Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto. Except with respect to Taxes not yet due and payable, to Seller's Knowledge, none of the Purchased Assets are subject to any Lien arising in connection with the failure or alleged failure to pay any Tax. There are no outstanding waivers or agreements extending the application of any statute of limitations of any jurisdiction for any period with respect to Seller regarding the assessment or collection of any Tax and there are no material disputes concerning Taxes pending or, to Seller's Knowledge, threatened by any Governmental Authority, in each case with respect to the Purchased Assets. Seller is not a foreign person within the meaning of Section 1445 of the Code. Seller has withheld or collected from each payment made to each of its employees, the amount of all Taxes required to be withheld or collected therefrom, and has paid the same to the proper Governmental Authorities under applicable Law. All sales, use and similar Taxes required by applicable Law to be collected by Seller from payments received from Seller's present and former customers and other third parties paying amounts to Seller and remitted to a Governmental Authority, to the extent such Taxes are required to be collected and

remitted with respect to the Station Business or the Purchased Assets have been collected and remitted to the appropriate Governmental Authority. All relevant exemption certificates and other documentation pertaining to sales, use and similar Taxes with respect to the Station Business or the Purchased Assets have been collected from customers and purchasers and retain, to the extent required by applicable Law.

**Section 3.22. Brokers.** Except for Daniel B. Graves, whose fees and expenses shall be borne solely by Seller, no agent, broker, firm or other Person acting on behalf, or under the authority, of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly in connection with any of the transactions contemplated hereby.

**Section 3.23. Environmental Matters.** Seller is in compliance with all Environmental Laws, except where the failure to comply would not reasonably be expected to be material to the Station Business. Seller has not received any written notice regarding any violation of, or any liability or investigatory, corrective or remedial obligation under, any Environmental Law with respect to the Station Business.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER**

In order to induce the Seller to enter into this Agreement, Buyer hereby represents and warrants to the Seller as follows as of the date hereof and as of the Closing (unless otherwise specified as of a specific date):

**Section 4.1. Organization, Standing and Power.** Buyer is a corporation duly formed, validly existing and in good standing under the laws of the state of its incorporation and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is, or will be at the Closing duly qualified to do business and is in good standing in each jurisdiction in which the Purchased Assets are located.

**Section 4.2. Authority; Binding Agreements.** The execution and delivery of this Agreement and the other agreements, certificates and documents delivered in connection herewith and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of Buyer and Buyer's shareholders and do not require any further authorization or consent on the part of Buyer or its shareholders. Buyer has all requisite corporate power and authority to enter into this Agreement and the other agreements, certificates and documents delivered in connection herewith and to consummate the transactions contemplated hereby and thereby, and this Agreement and the other agreements, certificates and documents delivered in connection herewith have been, or upon execution and delivery thereof will be, duly executed and delivered by Buyer. This Agreement and the other agreements, certificates and documents delivered in connection herewith are, or upon execution and delivery thereof will be, the valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally and the application of general

principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity).

**Section 4.3. Conflicts; Consents.** The execution and delivery of this Agreement and the other agreements and documents to which Buyer is a party as contemplated by this Agreement, the consummation of the transactions contemplated hereby and thereby and compliance by Buyer with the provisions hereof and thereof do not and will not require consent from, notification or filing with, or conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default (or an event that, with notice or lapse of time or both, would become a default), an event of default or an event creating rights of acceleration, termination, cancellation, revocation, payment or a loss of rights under, or result in the creation or imposition of any Lien upon any of the Purchased Assets under: (a) any certificate of formation, limited liability company agreement, or other constitutive or organizational documents of Buyer, (b) subject to receipt of the FCC Consent, any Law applicable to Buyer or Buyer's properties or assets, (c) any judgment, Order, award or decree to which such Person is a party or by which such Person is bound or (d) any Governmental Authority other than the FCC.

**Section 4.4. FCC Qualifications.** Subject to obtaining the FCC Consent, Buyer is, and as of the Closing will be, legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder and to be the licensee of, and own and operate, the Station. To Buyer's Knowledge, no fact or circumstance exists relating to the FCC qualifications of Buyer or the Station that (a) could reasonably be expected to prevent the FCC from granting the FCC Consent or (b) would otherwise disqualify Buyer, as applicable, as the licensee, owner or operator of the Station or (c) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent. To Buyer's Knowledge, with respect to Buyer, no waiver of any FCC rule or policy is required for the grant of the FCC Consent.

**Section 4.5. Litigation.** There are no claims, actions, suits, Orders, proceedings or investigations pending or, to Buyer's Knowledge, threatened before any court, arbitrator or Governmental Authority which would reasonably be expected to restrain, enjoin or otherwise prevent the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements. There is no action, suit or proceeding pending or, to Buyer's Knowledge, threatened against Buyer which will affect the ability of Buyer to perform its obligations hereunder.

**Section 4.6. Brokers.** No agent, broker, investment banker, firm or other Person acting on behalf, or under the authority, of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from Seller or any of its Affiliates in connection with any of the transactions contemplated hereby.

## **ARTICLE V ADDITIONAL AGREEMENTS**

**Section 5.1. FCC Matters.**

(a) ***FCC Consent.*** The consummation of the transactions contemplated hereby is subject to the prior consent and approval of the FCC. Within five (5) Business Days after the date hereof, Seller and Buyer shall file the Assignment Application with the FCC.

(b) ***Prosecution of Assignment Application.*** Upon filing, the parties shall prosecute the Assignment Application with commercially reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the Assignment Application as expeditiously as practicable. Each party shall promptly provide to the other party a copy of any pleading, order or other document served on them relating to the Assignment Application.

(c) ***Certain Actions and Omissions.*** Neither party shall take any action, or omit to take any action, or enter into any Contract which would reasonably be expected to, prevent or interfere with the successful prosecution of the Assignment Application or the consummation of the transactions contemplated by this Agreement, or which is or would be inconsistent with the Assignment Application or the consummation of the transactions contemplated by this Agreement.

(d) ***Certain FCC Conditions.*** Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by that party of any of its representations, warranties, covenants, obligations or agreements hereunder; (ii) compliance with the condition could reasonably be expected to have, in the case of Seller, a Material Adverse Effect, or in the case of Buyer, a material adverse effect upon Buyer or its Affiliates; or (iii) with respect to Buyer, require the divestiture by Buyer of any material assets of Buyer, including any broadcast station or licensed facility, or the termination or material modification of any currently existing local marketing agreement or other similar Contract with respect to the provision of programming or other services to a television station. Buyer and Seller shall oppose any petitions to deny or other objections filed with respect to the Assignment Application and any requests for reconsideration or review of the FCC Consent.

(e) ***Certain Extensions.*** If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement pursuant to its right under Section 7.1, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the effective period of the FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 7.1.

#### ***Section 5.2. Conduct of Station Business.***

(a) ***Certain Affirmative Covenants.*** With respect to the Station, from the Effective Date until the Closing Date, except as otherwise consented to by Buyer in writing (which consent shall not be unreasonably withheld, delayed or conditioned), the Seller shall cause the Station Business to be conducted in the ordinary course of the Station Business consistent with Seller's past practice, and to the extent consistent therewith:

(i) operate in compliance in all material respects with all applicable Laws, including the Communications Act and the FCC Licenses;

(ii) maintain and repair the Tangible Personal Property in the ordinary course of business and in a manner consistent with Seller's past practices;

(iii) keep in full force and effect insurance in respect of the Purchased Assets comparable in amount and scope of coverage to that now maintained;

(iv) take all actions reasonably necessary or appropriate to protect the Station from objectionable interference from other stations, including the filing of any and all necessary pleadings with the FCC to prevent or remedy such interference;

(v) remain qualified under the Communications Act to perform its obligations hereunder, to be the licensee of, and to own and operate the Station;

(vi) notify Buyer if there is any period of four (4) or more consecutive days during which the Station is off the air for any reason or a period of fifteen (15) or more consecutive days during which the Station is operating at substantially reduced power;

(vii) notify Buyer if there is any material adverse change in cable carriage or channel position on which the Station is carried (on any cable system with more than 1,000 subscribers);

(viii) continue to promote and conduct advertising on behalf of the Station at levels substantially consistent with Seller's past practice;

(ix) keep and maintain (and replace as needed) the Purchased Assets in normal operating condition and repair (wear and tear in ordinary usage excepted);

(x) maintain the business organization of the Seller intact;

(xi) preserve the Station Business and the goodwill of the suppliers, contractors, licensors, employees, customers, distributors and others having business relations with the Station Business;

(xii) maintain the Station's MVPD carriage existing as of the date of this Agreement, and timely make retransmission consent elections with all MVPDs in the Market; and

(xiii) notify the Buyer of any proceeding or matter pending before the FCC that would reasonably be expected to have a Material Adverse Effect.

(b) ***Certain Negative Covenants.*** With respect to the Station, the Seller and its Affiliates shall not (to the extent the following restrictions are permitted by the FCC, the Communications Act and all other applicable Laws), except as otherwise consented to by Buyer in writing (which consent shall not be unreasonably withheld, delayed or conditioned):



(i) other than in the ordinary course of business, assign, sell, lease (as lessor), transfer or dispose of, or agree to assign, sell, lease (as lessor), transfer or dispose of, any material Purchased Assets;

(ii) except for actions taken in furtherance of the Repack in accordance with *Exhibit B*, apply to the FCC for any FCC license, construction permit, authorization or any modification thereto that would materially restrict the Station's present operations or operations after Closing;

(iii) enter into any material amendment or modification to, or grant any material waiver under the Leases;

(iv) incur, or suffer or permit to exist, any Lien (other than a Permitted Lien) on any Purchased Asset(s);

(v) except for new time sales agreements made in the ordinary course of the Station Business and consistent with Seller's past practice and with a term no longer than six months, enter into any Contract or commitment that (x) involves the payment or potential payment of more than \$10,000 in the aggregate, (y) has a term in excess of one year, or (z) would be required to be listed on *Schedule 3.13(a)* were the Seller or its Affiliates a party thereto as of the date of this Agreement, other than in the ordinary course of the Station Business and consistent with Seller's past practice;

(vi) amend, waive, modify or consent to the termination of any Material Contract, or amend, waive, modify or consent to the termination of the Seller's or its Affiliates' rights thereunder, or enter into any Contract other than in the ordinary course of the Business consistent with Seller's past practice;

(vii) enter into any channel sharing agreement in respect of the Station;

(viii) except for actions taken in furtherance of the Repack in accordance with *Exhibit B*, make any capital expenditure or commitment or addition to property, plant or equipment, individually or in the aggregate, in excess of Five Thousand Dollars (\$5,000);

(ix) take, or fail to take, any other action which could reasonably be expected to result in a breach or inaccuracy in any of the representations or warranties of Seller contained in this Agreement;

(x) other than in the ordinary course of the Station Business, hire any Person that would be a Station employee, or terminate any Station employee;

(xi) make, revoke or change any Tax election, settle or compromise any Tax liability or file any Tax Return relating to the Station Business other than on a basis consistent with Seller's past practice;

(xii) take or fail to take any action that could reasonably be expected to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the Seller FCC Licenses in any material respect;

(xiii) other than in the ordinary course of the Station Business, enter into any new, or materially modify the terms of any existing, employment agreement or other Contract with any Station Employee;

(xiv) materially increase the cash compensation of the Station Employees, other than changes made in accordance with normal compensation practices and consistent with Seller's past compensation practices;

(xv) enter into any Contract with any Related Party of Seller;

(xvi) incur any liability that would constitute an Assumed Liability, except in the ordinary course of the Station Business consistent with past practice;

(xvii) settle any litigation, claims or proceedings other than in the ordinary course of the Station Business and consistent with Seller's past practice;

(xviii) establish, adopt, enter into or amend in any material respect any collective bargaining agreement applicable to Station employees;

(xix) enter into any time block purchase or sale agreement (other than ordinary course paid programming agreements consistent with Seller's past practice and with a term no longer than six months); or

(xx) agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses.

(c) ***FCC Licenses.*** During the period commencing on the Effective Date and ending on the earlier of the Closing Date or the termination of this Agreement, Seller shall: (i) maintain in full force and effect the FCC Licenses and other material Permits; (ii) promptly execute any necessary applications for renewal of FCC Licenses; (iii) timely file with the FCC all required reports, applications, and other filings and timely pay any required annual regulatory fees for the operation of the Station that have become due; (iv) deliver to Buyer, within ten (10) Business Days after filing, copies of any reports, applications or responses to the FCC related to the Station which are filed during such period; and (v) notify Buyer of any action, proceeding, or other matter that occurs after the Effective Date which would be an exception to Section 3.16(c) of this Agreement had such action, proceeding, or other matter occurred prior to the Effective Date.

***Section 5.3. Obligation to Consummate Transaction.*** Each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable to the extent permissible under applicable Laws, to consummate and make effective the transactions contemplated by this Agreement as expeditiously as practicable and to ensure that the conditions set forth in Article VI are satisfied, insofar as such matters are within its control. Without limitation to the foregoing or to Section 2.5, the Seller shall use all commercially reasonable efforts to obtain the Required Consents.

***Section 5.4. Employees.***

(a) Seller shall provide Buyer an updated *Schedule 3.8* to the Buyer no later than thirty (30) days prior to Closing. Except for any employment agreements included in the Assumed Contracts, Buyer may, but is not obligated to, offer post-Closing employment to such employees. With respect to each such employee, within thirty (30) calendar days after the date of this Agreement Buyer shall notify Seller in writing whether or not it will offer Comparable Employment (defined below) to such employee upon Closing. Within ten (10) calendar days after Closing, Buyer shall give Seller written notice identifying (i) all Transferred Employees (defined below) and (ii) all individuals who were employed by Seller prior to the Closing who were offered Comparable Employment with Buyer who did not accept such offers. As used herein, “**Comparable Employment**” means, subject to any union requirements, employment on terms and conditions determined by the Buyer but with monetary compensation (consisting of base salary, and as applicable, commission rate and normal bonus opportunity) substantially the same as those provided by the Seller immediately prior to the Closing Date. The Buyer agrees that it shall, for at least one year after the Closing Date, provide each Transferred Employee (defined below) who remains employed with the Buyer with employee benefits (including vacation and leave eligibility and seniority benefits) that are substantially similar to the employee benefits (but not pension benefits) provided to similarly situated employees of Buyer.

(b) Seller shall be solely responsible, and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employee, officer, director, independent contractor or consultant of the Station Business, including, without limitation, hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay for any period relating to the service with Seller at any time prior to the Closing Date, and Seller shall pay all such amounts to all entitled persons. If applicable, Seller shall give any notice to any applicable employees required under the WARN Act, and Buyer shall comply with any applicable requirements thereunder after Closing.

(c) With respect to employees of the Station hired by Buyer (“**Transferred Employees**”), the Seller shall be responsible for all compensation and benefits arising prior to Closing (in accordance with Seller’s employment terms), and Buyer shall be responsible for all compensation and benefits arising after Closing (in accordance with Buyer’s employment terms). With respect to Transferred Employees, at Closing Seller shall pay such Transferred Employees an amount equal to their accrued vacation leave as of the Closing Date.

(d) The Seller and its ERISA Affiliates shall comply with the provisions of COBRA with respect to any Station employee who is not a Transferred Employee who is or was covered under any Group Health Plan maintained by the Seller and its ERISA Affiliates as of the Closing Date. The Buyer shall or shall cause an Affiliate of the Buyer to comply with the provisions of COBRA with respect to Transferred Employees who are covered under any Group Health Plan maintained by the Buyer or its Affiliates after the Closing Date.

(e) As soon as practicable at or following the Closing Date, the Buyer shall or shall cause an Affiliate of the Buyer to, pursuant to plans and arrangements established or maintained by the Buyer or its Affiliates (the “**Buyer Welfare Plans**”) provide the Transferred Employees with health and welfare benefits, with coverage effective immediately upon Closing. The Buyer shall, to the extent permitted by the applicable Buyer Welfare Plan, (i) waive all limitations as to pre-existing conditions, exclusions and waiting periods with respect to

participation and coverage requirements applicable to Transferred Employees under the Buyer Welfare Plans, other than limitations or waiting periods that are already in effect with respect to such employees and that have not been satisfied as of the Closing Date under the corresponding Employee Plan, (ii) provide each Transferred Employee with credit under the Buyer Welfare Plans for any co-payments and deductibles paid under the corresponding Employee Plans prior to the Closing Date in satisfying any applicable deductible or out-of-pocket requirements for the plan year in which the Closing Date occurs and (iii) permit spouses and dependents of Transferred Employees to obtain coverage under such plans.

(f) Solely for purposes of determining eligibility to participate and vesting for Transferred Employees under all employee benefit plans and arrangements of the Buyer except for the 401(k) plan to which Transferred Employees shall be eligible to participate, the Buyer shall recognize service with the Seller to the same extent recognized under the corresponding Employee Plans as in effect immediately prior to the Closing Date.

(g) As soon as practicable after the Closing Date, each Transferred Employee who satisfies the applicable eligibility requirements shall become eligible to participate in a defined contribution retirement plan that is either established or designated by the Buyer (the “**Buyer 401(k) Plan**”). The Buyer shall cause the Buyer 401(k) Plan to accept direct rollovers of distributions to Transferred Employees from the existing defined contribution retirement plan of the Seller that is qualified under Section 401(a) of the Code (the “**Seller 401(k) Plan**”). The Seller shall continue to administer and wind down the Seller 401(k) Plan with respect to employees and former employees of the Seller other than the Transferred Employees, and shall take all appropriate actions to make distributions under the Seller 401(k) Plan to such individuals in accordance with the terms of the Seller 401(k) Plan and the applicable provisions of the Code.

(h) Nothing contained in this Agreement shall create any third-party beneficiary rights in any Transferred Employee, any beneficiary or dependents thereof, with respect to the compensation, terms and conditions of employment and benefits that may be provided to any Transferred Employee by the Buyer or under any benefit plan that the Buyer may maintain. Nothing contained in this Agreement shall constitute the establishment or amendment of any employee benefit plan.

(i) Nothing contained in this Agreement shall confer upon any Transferred Employee any right with respect to continued employment by the Buyer, nor shall anything herein interfere with the right of the Buyer to terminate the employment of any Transferred Employee at any time, with or without cause, following the effective date of his or her employment with the Buyer, or restrict the Buyer in the exercise of its independent business judgment in modifying any of the terms and conditions of the employment of the Transferred Employees.

**Section 5.5. Access and Information; Additional Disclosure.** From the Effective Date until the earlier of the Closing Date and the termination of this Agreement, the Seller shall permit Buyer and its representatives, upon reasonable notice, to make such investigation of the Purchased Assets as Buyer deems reasonably necessary or desirable in connection with the transactions contemplated hereby, provided that such rights shall not be exercised in a manner that interferes unreasonably with the operation of the Station.

***Section 5.6. Certain Tax Matters.***

(a) ***Transfer Taxes.*** All recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges, and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Agreement or the transactions contemplated hereby (collectively, “***Transfer Taxes***”) shall be borne equally by Seller and Buyer; *provided, however*, that Buyer and Seller shall reasonably cooperate with one another to lawfully minimize such Taxes. In the case of Transfer Taxes for which Buyer is liable to the pertinent taxing authority, at the Closing, Seller shall pay to Buyer fifty percent (50%) of the amount of such Transfer Taxes as reasonably estimated by Buyer, with subsequent additional payments by Seller to Buyer or refunds by Buyer to Seller of amounts previously paid by Seller in the event it is subsequently determined that the amount of the subject Transfer Taxes was more or less than the estimated amounts. In the case of Transfer Taxes for which Seller is liable to the pertinent taxing authority, at the Closing, Buyer shall pay to Seller fifty percent (50%) of the amount of such Transfer Taxes as reasonably estimated by Seller, with subsequent additional payments by Buyer to Seller or refunds by Seller to Buyer of amounts previously paid by Buyer in the event it is subsequently determined that the amount of the subject Transfer Taxes was more or less than the estimated amounts.

(b) ***Allocation of Taxes Other than Transfer Taxes.***

(i) Seller shall pay (i) all Taxes of Seller or any of its Affiliates (including any liability for Taxes of Seller or its Affiliates that becomes a liability of Buyer or any of its Affiliates (other than Transfer Taxes that Buyer has agreed to pay pursuant to Section 5.6(a) of this Agreement)) arising out of, or attributable to, or resulting from the sale, conveyance, transfer and assignment of the Purchased Assets or the transactions contemplated by this Agreement, and (ii) all Taxes relating to the Purchased Assets or the operations of the Station Business for all periods or portions thereof ending before the Closing Date. For these purposes, in the case of any Taxes that are imposed on a periodic basis and that are payable for a period that begins before the Closing Date and ends after the Closing Date (the “***Straddle Period***”), the portion of such Taxes that shall be deemed to be payable for the portion of the period ending on the end of the calendar day immediately preceding the Closing Date shall (A) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), whether actually paid before, during, or after such period, multiplied by a fraction the numerator of which is the number of calendar days in the period ending on (and including) the calendar day immediately preceding the Closing Date and the denominator of which is the number of calendar days in the entire period, and (B) in the case of any Taxes based upon or related to income or receipts, be deemed equal to the amount which would be payable if the taxable year ended on the calendar day immediately preceding the Closing Date. Any credits or Tax refunds paid with respect to a Straddle Period shall be prorated, based upon the method employed in the preceding sentence. Seller shall pay all Taxes relating to the Excluded Assets for all periods or portions thereof ending on or after the Closing Date.

(ii) Buyer shall pay all Taxes relating to the Purchased Assets or the operations of the Station Business (other than the Excluded Assets) for all periods or portions

thereof beginning on or after the Closing Date. For these purposes, in the case of any Taxes that are imposed on a periodic basis and that are payable for a Straddle Period, the portion of such Taxes that shall be deemed to be payable for the portion of the period beginning on the Closing Date and ending on the last day of such Straddle Period shall (A) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), whether actually paid before, during, or after such period, multiplied by a fraction the numerator of which is the number of calendar days in the period beginning on (and including) the Closing Date and ending on the last day of the Straddle Period, and the denominator of which is the number of calendar days in the entire period, and (B) in the case of any Taxes based upon or related to income or receipts, be deemed equal to the amount which would be payable if the taxable year began on the Closing Date and ended on the last day of the Straddle Period. Any credits or Tax refunds paid with respect to a Straddle Period shall be prorated, based upon the method employed in the preceding sentence.

***Section 5.7. No Premature Assumption of Control.*** Nothing contained in this Agreement shall 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 Date, and Seller shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station up to the time of the Closing.

***Section 5.8. Notification of Certain Matters; Certain Pre-Closing Actions.***

(a) The Buyer, on the one hand, and the Seller, on the other hand, shall promptly notify the other upon becoming aware of any material breach of any of its own respective representations or warranties contained in this Agreement.

(b) Each party shall promptly notify the other of any action, suit or proceeding that shall be instituted or threatened against such party to restrain, prohibit or otherwise challenge the legality of any transaction contemplated by this Agreement. The Seller shall promptly notify the Buyer, and the Buyer shall promptly notify the Seller, of any lawsuit, claim, proceeding or investigation that is threatened, brought, asserted or commenced against the other which would have been an exception to Section 3.17 or Section 4.5, as applicable, if such lawsuit, claim, proceeding or investigation had arisen prior to the date hereof.

(c) Prior to Closing, neither Seller nor Buyer shall take any action, or omit to take any action, or enter into any Contract which would, or would reasonably be expected to, (A) prevent or interfere with the successful prosecution of the Assignment Application or the consummation of the transactions contemplated by this Agreement, (B) impose any material delay in the obtaining of, or significantly increase the risk of not obtaining the FCC Consent, (C) significantly increase the risk of any Governmental Authority entering an Order prohibiting the consummation of the transactions contemplated by this Agreement, or (D) be inconsistent with the Assignment Application or the consummation of the transactions contemplated by this Agreement.

**Section 5.9. Filing Fees.** All filing fees and other charges levied by any Governmental Authority in connection with the transactions contemplated by this Agreement, including those fees relating to the Assignment Application, shall be paid one half by Buyer and one half by Seller. Except as expressly set forth herein (including without limitation on *Exhibit B* as to Repack Costs), each party hereto shall bear its own costs and expenses incurred in connection with the transactions contemplated hereby.

**Section 5.10. Further Assurances.** Each party shall, at any time and from time to time after the Closing Date, upon the request of the other party, do, execute, acknowledge, deliver and file, or cause to be done, executed, acknowledged, delivered or filed, all such further acts, transfers, conveyances, assignments or assurances as may be reasonably required for the better transferring, conveying, assigning and assuring to Buyer or the assumption by Buyer or for the aiding and assisting in the reducing to possession by Buyer of, any of the Purchased Assets, or for otherwise carrying out the purposes of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby.

**Section 5.11. Accounts.**

(a) Effective as of the Closing Date, Seller hereby irrevocably constitutes and appoints the Buyer as its true and lawful attorney-in-fact with full power of substitution (i) to collect in a reasonable manner consistent with reasonable past practice for the account of the Buyer any Purchased Assets and (ii) to institute and prosecute all proceedings that the Buyer may in its sole discretion deem proper in order to enforce any right, title or interest in, to or under the Purchased Assets, and to defend or compromise any and all actions, suits or proceedings in respect of the Purchased Assets.

(b) All payments and reimbursements received by the Seller or its Affiliates in connection with or arising out of the Purchased Assets or the Assumed Liabilities after the Closing shall be held by Seller in trust for the benefit of the Buyer and, promptly upon receipt by the Seller or its Affiliates of any such payment or reimbursement, the Seller shall pay over to the Buyer the amount of such payment or reimbursement without right of setoff.

(c) All payments and reimbursements received by the Buyer or its Affiliates in connection with or arising out of the Excluded Assets or the Excluded Liabilities after the Closing Date shall be held by the Buyer in trust for the benefit of the Seller and, promptly upon receipt by the Buyer of any such payment or reimbursement, the Buyer shall pay over to the Seller the amount of such payment or reimbursement without right of setoff.

(d) After Closing, Buyer shall cooperate with reasonable requests of Seller with respect to providing financial reports related to the Station's pre-Closing operations and Accounts Receivable, including without limitation providing copies of WideOrbit reports, client information, contracts and invoices related to the pre-Closing period.

**Section 5.12. FCC Compliance.** If after Closing the FCC Consent is reversed or otherwise set aside, and there is a Final Order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Purchased Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Purchased

Assets free and clear of Liens other than Permitted Liens, and the Seller shall repay to Buyer the Purchase Price and reassume the Assumed Contracts. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final Order (or, if earlier, within the time required by such order). In connection therewith, Buyer and the Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Purchased Assets to Seller and execution by the Seller of instruments of assumption of the Assumed Contracts) and make such payments (including repayment by the Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission

**Section 5.13. Correspondence.** The Seller covenants and agrees that it shall use all commercially reasonable efforts to promptly forward to the Buyer any mail (physical, electronic or otherwise), facsimile or telephone inquiries of actual or potential clients, customers, suppliers and vendors of or relating to the Station Business. The Buyer covenants and agrees that it shall use all commercially reasonable efforts to promptly forward to the Seller any mail (physical, electronic or otherwise), facsimile or telephone inquiries relating to the Excluded Assets or Excluded Liabilities.

**Section 5.14. Exclusivity.** The Seller shall not, and shall cause its Affiliates not to, (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition, directly or indirectly, of the Station, the Station Business or the Purchased Assets, or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Seller will notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing, and will provide the Buyer with all reasonable details in the possession of the Seller or its Affiliates concerning such proposal, offer, inquiry, or contact.

**Section 5.15. Non-Solicitation.**

(a) For a period of one (1) year following the Closing, the Seller shall not, and shall cause its Affiliates not to, directly or indirectly through any Person or contractual arrangement:

(i) solicit, recruit or hire any Station Employee (defined below); provided, that the foregoing shall not prohibit (A) a general solicitation to the public of general advertising or similar methods of solicitation by search firms not specifically directed at Transferred Employees or (B) the Seller or its Affiliates from soliciting, recruiting or hiring any Station Employee who has ceased to be employed or retained by the Buyer or any of its Affiliates; for purposes of this Section 5.15, “**Station Employees**” means all employees of Seller to whom Buyer made offers of employment prior to or at Closing in accordance with this Agreement; or

(ii) disparage the Buyer or any of its Affiliates in any way that reasonably could materially adversely affect the goodwill, reputation or business relationships of the Station Business, the Buyer or any of its Affiliates with the public generally, or with any of their customers, suppliers or employees.



(b) For a period of one (1) year following the Closing, Hearst Television shall not, directly or indirectly through any Person, disparage the Seller in any way that reasonably could materially adversely affect the goodwill, reputation or business relationships of the Seller with the public generally, or with any customers, suppliers or employees of the Station Business (provided, however, that the foregoing shall in no way restrict Hearst Television from making factual statements with respect to the operation of the Station Business).

(c) The Seller acknowledges that the covenants of the Seller set forth in this Section 5.15 are an essential element of this Agreement. Each party acknowledges that any breach by the other party of any provision of this Section 5.15 will result in irreparable injury to the non-breaching party. Each party acknowledges that in the event of such a breach, in addition to all other remedies available at law, the non-breaching party shall be entitled to equitable relief, including injunctive relief and an equitable accounting of all earnings, profits or other benefits arising therefrom, as well as such other damages as may be appropriate.

(d) If a court of competent jurisdiction determines that the character, duration or geographical scope of the provisions of this Section 5.15 are unreasonable, it is the intention and the agreement of the parties that these provisions shall be construed by the court in such a manner as to impose only those restrictions on the parties' conduct that are reasonable in light of the circumstances and as are necessary to assure to the benefits of this Agreement. If, in any judicial proceeding, a court shall refuse to enforce all of the separate covenants of this Section 5.15 because taken together they are more extensive than necessary to assure the intended benefits of this Agreement, it is expressly understood and agreed by the parties that the provisions hereof that, if eliminated, would permit the remaining separate provisions to be enforced in such proceeding, shall be deemed eliminated, for the purposes of such proceeding, from this Agreement.

**Section 5.16. Additional Contractual Contingencies.** With respect to certain contractual matters identified on *Schedule 5.16*, the parties hereby covenant and agree to comply with the terms of *Schedule 5.16*.

**Section 5.17. Additional Programming Relationships.** With respect to certain programming relationships identified on *Schedule 5.17*, the parties hereby covenant and agree to comply with the terms of *Schedule 5.17*.

**Section 5.18. Fiber Connection.** The parties hereby covenant and agree to comply with the terms of *Schedule 5.18*.

**Section 5.19. Seller Funds.** From and after Closing, Seller shall at all times maintain net current assets not subject to Lien that are sufficient to meet its indemnification obligations hereunder. Without limitation of the foregoing, Seller shall, as of Closing and during the period ending one-year thereafter, hold net current assets not subject to Lien equal to or greater than One Hundred Sixty-Five Thousand Dollars (\$165,000). The one-year period shall be extended to the extent there are any pending indemnification claims in excess of the available Escrow Funds, until such indemnification claims are finally resolved. Each quarter during such period Seller shall deliver to Buyer a bank statement that evidences Seller's compliance with the foregoing.

## ARTICLE VI CONDITIONS PRECEDENT

**Section 6.1. Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the satisfaction or waiver by Buyer of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of the Seller contained herein that are qualified by materiality or subject to thresholds shall be true and correct in all respects and the representations and warranties of the Seller contained herein that are not so qualified shall be true and correct in all material respects as of the Effective Date and as of the Closing Date as if made on and as of the Closing Date.

(b) **Covenants.** The Seller shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Seller under this Agreement on or prior to the Closing Date.

(c) **Officer's Certificate.** Buyer shall have received a certificate, dated as of the Closing Date, duly executed by an authorized officer of Seller certifying that:

(i) the conditions set forth in Sections 6.1(a) and (b) have been fulfilled; and

(ii) all documents to be executed by the Seller and delivered at the Closing have been executed by a duly authorized officer of Seller.

(d) **No Injunction.** No Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits the consummation of all or any part of the transactions contemplated by this Agreement and the other agreements, certificates and documents delivered in connection herewith.

(e) **Required Consent.** The Seller shall have obtained and delivered to Buyer the Required Consents.

(f) **Certain Closing Documents.** The Seller shall have delivered or caused to be delivered to Buyer:

(i) a duly executed Bill of Sale;

(ii) a duly executed Assignment and Assumption Agreement;

(iii) a duly executed Assignment and Acceptance Agreement in respect of the FCC Licenses;

(iv) certified resolutions of the manager and members of the Seller authorizing the transactions contemplated by this Agreement and the Ancillary Agreements; and

(v) all such other endorsements or other instruments as shall be reasonably requested by Buyer to vest in Buyer good and marketable title to all of the Purchased Assets, free and clear of all Liens (other than Permitted Liens).

(g) **FCC Consent.** The FCC Consent shall have been granted and shall be effective, and in the event any petition to deny, application for review, or other objection is filed with respect to the Assignment Application or the FCC Consent, at Buyer's option, the FCC Consent shall have become a Final Order.

(h) **Fiber Connection.** The connection described on *Schedule 5.18* shall have been established.

(i) **FIRPTA.** A certificate of non-foreign status from the Seller in compliance with Treasury Regulations Section 1.1445-2.

(j) **Tax Clearance Letter.** A tax clearance letter for the Maine Revenue Service that all Taxes have been paid or that no Taxes are due with respect to Seller.

(k) **No Material Adverse Effect.** Since the date of this Agreement, there shall not have occurred any change, event or development or prospective change, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

**Section 6.2. Conditions to Obligations of the Seller.** The obligations of the Seller to consummate the sale of the Purchased Assets and the assignment of the Assumed Liabilities are subject to the satisfaction of the following conditions, unless waived by Seller:

(a) **Representations and Warranties.** The representations and warranties of Buyer contained herein that are qualified by materiality or subject to thresholds shall be true and correct in all respects and the representations and warranties of Buyer that are not so qualified contained herein shall be true and correct in all material respects as of the Effective Date and as of the Closing Date as if made on and as of the Closing Date.

(b) **Covenants.** Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it under this Agreement on or prior to the Closing Date.

(c) **Officer's Certificate.** Seller shall have received a certificate, dated as of the Closing Date, duly executed by an authorized officer of Buyer, certifying that:

(i) the conditions set forth in Sections 6.2(a) and (b) have been fulfilled; and

(ii) all documents to be executed by Buyer and delivered at the Closing have been executed by a duly authorized officer of Buyer.

(d) **No Injunction.** No Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits the consummation of all or any part of

the transactions contemplated by this Agreement and the other agreements, certificates and documents delivered in connection herewith.

(e) ***Certain Closing Deliveries.*** Buyer shall have delivered or caused to be delivered to Seller:

(i) payment of the Purchase Price, less the Escrow Funds, by wire transfer of immediately available funds;

(ii) the following transaction documents duly executed by Buyer:

(A) a duly executed Bill of Sale;

(B) a duly executed Assignment and Assumption Agreement;

(C) a duly executed Assignment and Acceptance Agreement in respect of the FCC Licenses; and

(D) certified resolutions of the board of directors and shareholders of the Buyer authorizing the transactions contemplated by this Agreement and the Ancillary Agreements;

(iii) all such other endorsements or other instruments as shall be reasonably requested by Seller that may be necessary to assume the Assumed Liabilities.

(f) ***FCC Consent.*** The FCC Consent shall have been granted and shall be effective, and in the event any petition to deny, application for review, or other objection is filed with respect to the Assignment Application or the FCC Consent, at Buyer's option, the FCC Consent shall have become a Final Order.

***Section 6.3. Frustration of Closing Conditions.*** With respect to the conditions to its obligations to consummate the transactions contemplated by this Agreement as provided hereunder and its rights to terminate this Agreement as provided in Section 7.1, neither party may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such party's failure to act in good faith or to use its commercially reasonable efforts to cause the Closing to occur to the extent required by Section 5.3.

## **ARTICLE VII TERMINATION**

***Section 7.1. Termination.*** This Agreement shall terminate on the earlier to occur of any of the following events:

(a) the mutual written agreement of Buyer and the Seller;

(b) by Notice of Termination (defined below) of Buyer or Seller, if the Closing shall not have occurred prior to the close of business on the date nine (9) months after

the Effective Date (such date, the “**Termination Date**”) (other than due to a breach of any representation or warranty hereunder of the party seeking to terminate this Agreement or as a result of the failure on the part of such party to comply with or perform its covenants, agreements and obligations under this Agreement);

(c) by Notice of Termination of Buyer to Seller, if a breach or failure to perform any of the covenants or agreements of the Seller contained in this Agreement shall have occurred, or there shall be any breach of or inaccuracy of any of the representations or warranties of the Seller contained in this Agreement, and such breach, failure to perform or inaccuracy would, if occurring or continuing on the Closing Date, give rise to the failure of a condition set forth in Section 6.1, and such breach, failure to perform or inaccuracy (x) cannot be cured prior to the Termination Date or (y) if curable, is not cured on or before the earlier of the Termination Date or thirty (30) days following receipt by the Seller of written notice of such breach, failure to perform or inaccuracy: provided, however, that the Buyer shall not have the right to terminate this Agreement pursuant to this Section 7.1(c) if the Buyer is then in breach of any of its covenants or agreements contained in this Agreement or any of the representations or warranties of the Buyer contained in this Agreement shall be inaccurate, and, in any such case would give rise to the failure of a condition set forth in Section 6.2; provided, further, however, that Buyer’s right under this Section 7.1(c) may not be exercised after the Closing;

(d) by Notice of Termination of Seller to Buyer, if a breach or failure to perform any of the covenants or agreements of the Buyer contained in this Agreement shall have occurred, or there shall be any breach of or inaccuracy of any of the representations or warranties of the Buyer contained in this Agreement, and such breach, failure to perform or inaccuracy would, if occurring or continuing on the Closing Date, give rise to the failure of a condition set forth in Section 6.2, and such breach, failure to perform or inaccuracy (x) cannot be cured prior to the Termination Date or (y) if curable, is not cured on or before the earlier of the Termination Date or thirty (30) days following receipt by the Buyer of written notice of such breach, failure to perform or inaccuracy; provided, however, that the Seller shall not have the right to terminate this Agreement pursuant to this Section 7.1(d) if the Seller is then in breach of any of its covenants or agreements contained in this Agreement or any of the representations or warranties of the Seller contained in this Agreement shall be inaccurate, and, in any such case would give rise to the failure of a condition set forth in Section 6.1; provided, further, however, that Seller’s right under this Section 7.1(d) may not be exercised after the Closing, and provided, further, however, that no cure period shall apply to Buyer’s obligation to make the Deposit in accordance with Section 2.1(b) or pay the Purchase Price at the Closing; or

(e) by Notice of Termination of Buyer to Seller or Seller to Buyer, if any court of competent jurisdiction shall have issued a final and non-appealable Order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the consummation of the sale of the Purchased Assets contemplated hereby.

## ***Section 7.2. Procedure and Effect of Termination.***

(a) ***Notice of Termination.*** Any termination by either party shall be communicated by a written notice to the other party (the “**Notice of Termination**”). The Notice of Termination shall indicate the termination provision in this Agreement claimed to provide a

basis for termination of this Agreement, and, with respect to any termination pursuant to Section 7.1(c) or 7.1(d), specify the breach.

(b) ***Certain Effects of Termination.*** Nothing in this Agreement shall relieve either party of any liability for a breach of this Agreement prior to the termination hereof. Except as provided in the foregoing sentence, (i) upon the termination of this Agreement, all rights and obligations of the parties under this Agreement shall terminate, except their respective obligations under Sections 2.1(b), 5.9 and 9.8, this Section 7.2(b) and *Exhibit B* as applicable, all of which shall survive the termination of this Agreement except as specifically provided in such sections and (ii) neither of the parties hereto nor any of their Related Parties shall have any liability or further obligation to the other party or any of their respective Related Parties pursuant to this Agreement with respect to which termination has occurred, except in respect of the rights and obligations identified in clause (i) above, which shall survive as provided in this Section 7.2(b).

(c) ***Withdrawal of Certain Filings.*** All filings, applications and other submissions relating to the transactions contemplated by this Agreement as to which termination has occurred shall, to the extent practicable, be withdrawn from the agency or other Person to which made.

## **ARTICLE VIII INDEMNIFICATION**

***Section 8.1. Indemnification by the Seller.*** From and after the Closing, Seller shall indemnify and hold harmless Buyer and its Affiliates, and the directors, officers, employees and other agents and representatives of Buyer and its Affiliates (the “***Buyer Indemnified Parties***”) from and against any and all liabilities, judgments, claims, settlements, losses, damages, fees, Liens, Taxes, penalties, obligations and expenses (including reasonable attorney’s fees and expenses and costs and expenses of investigation) (collectively, “***Losses***”) incurred or suffered, directly or indirectly, by any such Person arising from, by reason of or in connection with:

(a) any breach or inaccuracy of any representation or warranty (other than the Fundamental Representations) of Seller contained in this Agreement or any Ancillary Agreement;

(b) any breach or inaccuracy of any Fundamental Representation of Seller;

(c) the non-fulfillment or breach of any covenant, obligation or agreement made by Seller in this Agreement;

(d) any failure of Seller to provide any notification required under the WARN Act as a result of or in connection with the transactions contemplated by this Agreement;

(e) any Excluded Liability;

(f) any Excluded Assets;

- (g) any Seller Expenses;
- (h) any Indebtedness of the Seller or its Affiliates not included in the Assumed Liabilities;
- (i) Seller's failure to comply with the terms and conditions of any bulk sales or bulk transfer or similar Laws of any jurisdiction that may be applicable to the sale or transfer of any or all of the Purchased Assets to the Buyer; or
- (j) the termination of any employees and/or independent contractors of the Seller and its Affiliates (whether before, at or after the Closing), including any liabilities under or relating to the WARN Act or any similar state statutes and Laws, and/or all liabilities of Seller's employees not offered employment by Buyer, and/or any failure by Seller to give any required notices under or relating to the WARN Act or any similar state statutes and Laws.

Notwithstanding the foregoing, (i) the Seller shall have no liability for any Losses under Section 8.1(a) until the aggregate amount of Losses suffered or incurred by the Buyer Indemnified Parties as to all matters giving rise to indemnification under this Section 8.1 exceeds \$35,000 (the "**Deductible**"), after which the Seller shall be liable for all such Losses including the amount of such Deductible, and (ii) the maximum aggregate liability of the Seller under Section 8.1(a) shall be an amount equal to 15% of the Purchase Price (the "**Cap**"). Neither the Cap nor the Deductible shall apply to any Losses arising out of fraud or intentional misrepresentation by Seller. For purposes of clarity, the Deductible and the Cap shall not apply to the Fundamental Representations. Any qualification of the representations and warranties of the Seller or its Affiliates by reference to materiality or Material Adverse Effect, where applicable, relating to the matters stated therein, or words of similar effect, shall be disregarded in determining the amount of Losses arising therefrom. The right to rely on the representations, warranties, covenants and agreements in this Agreement or any Ancillary Agreement and the right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement or any Ancillary Agreement shall not be affected by any investigation conducted at any time, or any knowledge or information acquired or capable of being acquired at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement.

**Section 8.2. Indemnification by Buyer.** From and after the Closing, Buyer shall indemnify and hold harmless Seller and its Affiliates, and the directors, officers, employees and other agents and representatives of Seller and its Affiliates (the "***Seller Indemnified Parties***") from and against any and all Losses incurred or suffered, directly or indirectly, by any such Person arising from, by reason of or in connection with:

- (a) any breach or inaccuracy of any representation or warranty (other than the Fundamental Representations) of Buyer contained in this Agreement or any Ancillary Agreement;
- (b) any breach or inaccuracy of any Fundamental Representation of Buyer;

(c) the non-fulfillment or breach by Buyer of any covenant, obligation or agreement made by it in this Agreement;

(d) any of the Assumed Liabilities; or

(e) any and all acts or omissions of Buyer in connection with the operation of the Station and the conduct of the Station Business from and after the Closing Date, to the extent not an Excluded Asset or an Excluded Liability.

Notwithstanding the foregoing, (i) Buyer shall have no liability for any Losses under Section 8.2(a) until the aggregate amount of Losses suffered or incurred by the Seller Indemnified Parties as to all matters giving rise to indemnification under this Section 8.2 exceeds the Deductible, after which Buyer shall be liable for all such Losses including the amount of such Deductible, and (ii) the maximum aggregate liability of Buyer under Section 8.2(a) shall be an amount equal to the Cap. Neither the Cap nor the Deductible shall apply to any Losses arising out of fraud or intentional misrepresentation by Buyer. For purposes of clarity, the Deductible and the Cap shall not apply to the Fundamental Representations. Any qualification of the representations and warranties of the Buyer or its Affiliates by reference to materiality or Material Adverse Effect, where applicable, relating to the matters stated therein, or words of similar effect, shall be disregarded in determining the amount of Losses arising therefrom. The right to rely on the representations, warranties, covenants and agreements in this Agreement or any Ancillary Agreement and the right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement or any Ancillary Agreement shall not be affected by any investigation conducted at any time, or any knowledge or information acquired or capable of being acquired at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement.

**Section 8.3. Calculation of Losses.** Any indemnity payment hereunder shall be treated as an adjustment to the Purchase Price to the extent permitted by applicable Law. Where the receipt of any such payment is treated for Tax purposes in a manner other than as an adjustment to the Purchase Price, the amount of the payment shall be adjusted to take account of any net Tax cost actually incurred, or benefit actually enjoyed, by the Indemnified Party in respect thereof for the taxable period in which the indemnity payment is made.

***Section 8.4. Certain Procedures for Indemnification.***

(a) In the event that any Person entitled to indemnification under this Agreement (an “**Indemnified Party**”) asserts a claim for indemnification, or receives notice of the assertion of any claim or of the commencement of any action or proceeding by any Person not a party to this Agreement against such Indemnified Party, for which a party to this Agreement is required to provide indemnification under this Article VIII (an “**Indemnifying Party**”), the Indemnified Party shall promptly notify the Indemnifying Party in writing of the claim or the commencement of that action; *provided, however*, that the failure to so notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party, except to the extent that the Indemnifying Party is materially prejudiced in its ability to defend such action.



(b) With respect to third party claims for which indemnification is claimed hereunder, (i) the Indemnifying Party shall be entitled to participate in the defense of any such claim, and (ii) if, in the judgment of the Indemnified Party, such claim can properly be resolved by money damages alone and the Indemnifying Party has the financial resources to pay such damages, and the Indemnifying Party admits that this indemnity fully covers the claim or litigation, then the Indemnifying Party shall be entitled (y) to direct the defense of any claim at its sole cost and expense, but such defense shall be conducted by legal counsel reasonably satisfactory to the Indemnified Party, and (z) to settle and compromise any such claim or action for money damages alone; *provided, however*, that if the Indemnified Party has elected to be represented by separate counsel pursuant to the proviso below, or if such settlement or compromise does not include an unconditional release of the Indemnified Party for any liability arising out of such claim or action or if such claim involves a customer or supplier of the Indemnified Party or if in the opinion of the Indemnified Party such claim has the potential of bringing the Indemnified Party into disrepute, such settlement or compromise shall be effected only with the written consent of the Indemnified Party. After written notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such claim or action, the Indemnifying Party shall not be liable to the Indemnified Party under this Section 8.4 for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation or of assistance as contemplated by this Section 8.4; *provided, however*, that the Indemnified Party shall have the right to employ counsel to represent it, at its sole cost and expense, *provided, further*, that if, in the opinion of the Indemnified Party, it is advisable for the Indemnified Party to be represented by separate counsel due to actual or potential conflicts of interest, then in such event, the fees and expenses of such separate counsel shall be paid by the Indemnifying Party; *provided further*, that in no event shall the Indemnifying Party be responsible for the fees of more than one counsel to the Indemnified Party. The Indemnified Party and the Indemnifying Party shall each render to each other such assistance as may reasonably be requested in order to ensure the proper and adequate defense of any such claim or proceeding.

(c) The Escrow Funds shall continue to be held by the Escrow Agent pursuant to the Escrow Agreement for a period of twelve (12) months after Closing (the “***Escrow Expiration Date***”) in order to secure Seller’s indemnification obligations under this Agreement, unless on or prior to the Escrow Expiration Date, Seller has received written notice from Buyer of a claim for indemnification, in which case the Escrow Expiration Date will be extended until such claim has been finally resolved. Any Losses payable to a Buyer Indemnified Party pursuant to this Article VIII shall be satisfied: (i) first, from the Escrow Account; and (ii) to the extent the amount of Losses exceeds the amounts available to the Buyer Indemnified Party in the Escrow Account or if the Escrow Account has been terminated in accordance with the terms of the Escrow Agreement, from the Seller by wire transfer of immediately available funds. If after Closing any indemnification claim pursuant to this Article VIII of this Agreement by a Buyer Indemnified Party is resolved in favor of a Buyer Indemnified Party, then within one Business Day thereafter, the parties shall give joint written instructions to the Escrow Agent to disburse such portion of the Escrow Funds owing to such Buyer Indemnified Party in connection with such claim. Upon the termination of the Escrow Account pursuant to the terms of the Escrow Agreement and in accordance with this Agreement, the Seller and Buyer (or Buyer’s Affiliate) shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to

release any amounts remaining in the Escrow Account to the Seller. All interest earned after Closing on any portion of the Escrow Funds shall be for the benefit of the Seller.

**Section 8.5. Limitations.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NO PARTY HERETO SHALL HAVE ANY LIABILITY HEREUNDER TO ANY INDEMNIFIED PARTY FOR ANY (X) PUNITIVE OR EXEMPLARY DAMAGES OR (Y) LOST PROFITS OR CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES EXCEPT: (i) IN THE CASE OF CLAUSE (Y) ABOVE, TO THE EXTENT SUCH LOST PROFITS OR DAMAGES ARE (1) NOT BASED ON ANY SPECIAL CIRCUMSTANCES OF THE PARTY ENTITLED TO INDEMNIFICATION AND (2) THE NATURAL, PROBABLE AND REASONABLY FORESEEABLE RESULT OF THE EVENT THAT GAVE RISE THERETO OR THE MATTER FOR WHICH INDEMNIFICATION IS SOUGHT HEREUNDER, REGARDLESS OF THE FORM OF ACTION THROUGH WHICH SUCH DAMAGES ARE SOUGHT; AND (ii) IN EACH CASE OF THE FOREGOING CLAUSE (X) AND (Y), TO THE EXTENT ANY SUCH LOST PROFITS OR DAMAGES ARE INCLUDED IN ANY ACTION BY A THIRD PARTY AGAINST SUCH INDEMNIFIED PARTY FOR WHICH IT IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT. THE FOREGOING LIMITATIONS ON LIABILITY WILL NOT APPLY TO BREACHES OF A PARTY'S CONFIDENTIALITY OBLIGATIONS HEREUNDER.

**Section 8.6. Survival; Expiration.**

(a) Notwithstanding any investigation made by or on behalf of Seller or Buyer prior to, on or after the Closing Date, the representations and warranties contained in this Agreement (including the Schedules hereto) shall survive the consummation of the transactions contemplated hereby and thereby and shall terminate on the twelve (12) month anniversary of the Closing Date, except that the:

(i) Fundamental Representations shall survive forever; and

(ii) representations and warranties set forth in Section 3.21 and Section 3.23 shall survive until 30 days following the expiration of the applicable statute of limitations.

The covenants of the parties hereto shall survive until fully performed and discharged, unless otherwise expressly provided herein. Notwithstanding the foregoing, nothing in this Section 8.6(a) shall prevent or restrict any claims against Buyer or Seller for fraud or intentional misrepresentation.

(b) Any right of indemnification or reimbursement pursuant to this Article VIII with respect to a claimed breach, inaccuracy or non-fulfillment of any representation, warranty, covenant, agreement or obligation shall expire on the applicable date of termination of the representation, warranty, covenant, agreement or obligation claimed to be breached as set forth in Section 8.6(a) (the "**Expiration Date**"), unless on or prior to the applicable Expiration Date, the Indemnifying Party has received written notice from the Indemnified Party of such breach, inaccuracy or non-fulfillment from the Indemnified Party, in which case the Indemnified Party may continue to pursue its right of indemnification or reimbursement hereunder beyond the

Expiration Date of the applicable representation, warranty, covenant, agreement or obligation and such claim shall survive until resolved.

## **ARTICLE IX MISCELLANEOUS**

### ***Section 9.1. Governing Law; Specific Performance.***

(a) ***Governing Law.*** Construction and interpretation of this Agreement shall be governed by the Laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) ***Specific Performance.*** The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party that may be injured (in addition to any other remedies which may be available to that party), shall be entitled to one or more preliminary or permanent orders restraining and enjoining any act which would constitute a breach or compelling the performance of any obligation which, if not performed, would constitute a breach.

***Section 9.2. Notices.*** All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this Agreement (including Notices of Termination) shall be in the English language and in written or electronic form, and shall be deemed delivered (a) on the date of delivery when (i) delivered by hand or (ii) sent by reputable overnight courier maintaining records of receipt and (b) on the date of transmission when sent by facsimile or other electronic transmission during normal business hours with confirmation of transmission by the transmitting equipment; *provided, however*, that any such communication delivered by facsimile or other electronic transmission shall only be effective if such communication is also delivered by hand or deposited with a reputable overnight courier maintaining records of receipt within two (2) Business Days after its delivery by facsimile or other electronic transmission. All such communications shall be addressed to the parties at the address set forth on *Schedule 9.2*, or at such other address as a party may designate upon ten (10) days' prior written notice to the other party.

***Section 9.3. Benefits of Agreement.*** All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for the provisions of Article VIII, this Agreement is for the sole benefit of the parties hereto and not for the benefit of any third party.

***Section 9.4. Amendments and Waivers.*** No modification, amendment or waiver of any provision of, or consent or approval required by, this Agreement, nor any consent to or approval of any departure therefrom, shall be effective unless it is in writing and signed by the party against whom enforcement of any such modification, amendment, waiver, consent or approval is sought. Such modification, amendment, waiver, consent or approval shall be effective only in the specific instance and for the purpose for which given. Neither the failure of either party to

enforce, nor the delay of either party in enforcing, any condition or part of this Agreement at any time shall be construed as a waiver of that condition or part or forfeit any rights to future enforcement thereof. No action taken pursuant to this Agreement, including any investigation by or on behalf of either party hereto, shall be deemed to constitute a waiver by the party taking action of compliance by the other party with any representation, warranty, covenant or agreement contained herein.

**Section 9.5. Assignment.** This Agreement and the rights and obligations hereunder shall not be assignable or transferable by either party hereto (including in connection with a merger, consolidation, sale of substantially all of the assets of such party or otherwise by operation of law) without the prior written consent of the other party hereto; *provided, however*, that Buyer may assign all of its rights and obligations under this Agreement to any of its Affiliates upon written notice to, but without the consent of, Seller, provided that (i) any such assignment does not delay processing of the Assignment Application, grant of the FCC Consent or Closing, (ii) any such assignee delivers to Seller a written assumption of this Agreement, (iii) Buyer shall remain liable for all of its obligations hereunder and (iv) Buyer shall be solely responsible for any third party consents necessary in connection therewith (none of which are a condition to Closing). Any attempted assignment in violation of this Section 9.5 shall be null and void. No assignment shall relieve any party of any obligation or liability under this Agreement.

**Section 9.6. Enforceability; Severability.** Without limitation to Section 9.1(b), so long as no party is deprived of the benefits of this Agreement in any material respect: (a) if any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision, each of which is hereby declared to be separate and distinct, (b) if any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and (c) if any provision of this Agreement is declared invalid or unenforceable for any reason other than overbreadth, the offending provision will be modified so as to maintain the essential benefits of the bargain among the parties hereto to the maximum extent possible, consistent with Law and public policy.

**Section 9.7. Force Majeure.** Notwithstanding anything contained in this Agreement to the contrary, no party shall be liable to another party for failure to perform any obligation under this Agreement if prevented from doing so by reason of fires, acts of terrorism, strikes, labor unrest, embargoes, civil commotion, rationing or other orders or requirements, acts of civil or military authorities, acts of God or other contingencies, including equipment failures, beyond the reasonable control of such party, and all requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of such contingency which shall interfere with such performance; provided that the foregoing shall not apply to any obligation of a party to make any payment required hereunder.

**Section 9.8. Confidentiality; Announcements.**

(a) **Confidentiality.** Each party shall hold in strict confidence all non-public documents and information concerning the other and its business and properties and, if this Agreement is terminated, such confidences shall be maintained, and all documents and

information (in written form) shall immediately thereafter be returned to the party originally furnishing such documents and information.

(b) ***Permissible Disclosures.*** Notwithstanding anything contained herein to the contrary, no party shall be prohibited from (i) making any disclosures to any Governmental Authority that it is required by applicable Law, including, the filing of this Agreement with the FCC and placing a copy of this Agreement in the public inspection files of the Station or any station licensed to Buyer or an Affiliate of Buyer, (ii) disclosing this Agreement or its terms to its attorneys, accountants, agents or advisors, (iii) providing a copy of this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party or (iv) disclosing to its investors and broker/dealers such terms of this transaction as are customarily disclosed to them in connection with similar transactions.

(c) ***Public Announcements.*** Prior to Closing, neither party shall make or issue or cause to be made or issued, any announcement (written or oral) concerning this Agreement or the transactions contemplated hereby for dissemination to the general public without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by applicable Law or the regulations of any Governmental Authority or any stock exchange, except that the party required to make such announcement shall provide a draft copy thereof to the other party hereto, and consult with such other party concerning the timing and content of such announcement, before such announcement is made, to the extent permitted by applicable Law.

***Section 9.9. Entire Agreement.*** This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto and the other agreements, certificates and documents delivered in connection herewith or otherwise in connection with the transactions contemplated hereby and thereby, contains the entire agreement among the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements or understandings among the parties with respect to the subject matter hereof and thereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, Seller makes no representation or warranty to Buyer with respect to any financial projections or forecasts of the Station's revenues, expenses or results of operations. The fact that any item or information is contained in the Schedules to this Agreement 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. Any information disclosed on any Schedule to this Agreement shall be deemed to be disclosed on each other Schedule to this Agreement only to the extent that is readily apparent from the face of the disclosure that such disclosure is applicable to such other Schedule.

***Section 9.10. Counterparts.*** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

*[Remainder of page intentionally left blank]*

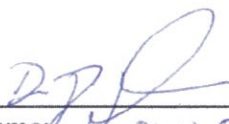
**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

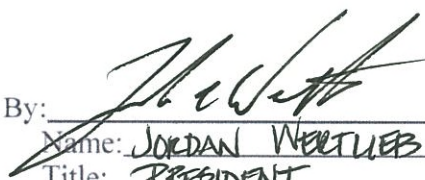
**SELLER:**

IRONWOOD COMMUNICATIONS PORTLAND, LLC

**BUYER:**

HEARST PROPERTIES INC.

By:   
Name: DAVID J. JOSEPH  
Title: MANAGER

By:   
Name: JORDAN WERTLIEB  
Title: PRESIDENT

**EXHIBIT A**  
**CERTAIN DEFINED TERMS; CERTAIN INTERPRETATIONS**

**I. *Certain Defined Terms.*** The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

**“Accounts Receivable”** means all accounts and notes receivable, loans receivable, advances, deferred charges, chattel paper and other rights to receive payments, in each case, arising from or related to the operation of the Station Business.

**“Active Employees”** has the meaning set forth in Section 3.8.

**“Affiliate”** means, with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, the specified Person.

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

**“Ancillary Agreements”** means any certificate, agreement, document or other instrument to be executed and delivered in connection with the transactions contemplated by this Agreement, including but not limited to, the Bill of Sale, the Assignment and Acceptance Agreement and the Assignment and Assumption Agreement.

**“Assignment and Acceptance Agreement”** means the Assignment and Acceptance Agreement between Buyer and Seller dated as of the Closing Date

**“Assignment and Assumption Agreement”** means the Assignment and Assumption Agreement between Buyer and Seller dated as of the Closing Date.

**“Assignment Application”** means the application to be filed with the FCC in order to obtain the consent of the FCC to an assignment to Buyer or, as may be designated by Buyer, any Affiliate of Buyer, of the FCC Licenses.

**“Assumed Liabilities”** has the meaning set forth in Section 2.3(a).

**“Balance Sheet”** has the meaning set forth in Section 3.3.

**“Balance Sheet Date”** has the meaning set forth in Section 3.3.

**“Bill of Sale”** means a bill of sale duly executed by the Seller at Closing transferring the Purchased Assets to Buyer.

**“Business Day”** means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or that is a day on which the Escrow Agent or banking institutions located in New York, New York are authorized or required by law or action of a Governmental Authority to close.

**“Buyer”** has the meaning set forth in the preamble hereof.



**“Buyer 401(k) Plan”** has the meaning set forth in Section 5.4(g).

**“Buyer Indemnified Parties”** has the meaning set forth in Section 8.1(a).

**“Buyer’s Knowledge”** (and similar phrases) means the knowledge, or the knowledge that would reasonably be expected to be gained by, in each case after reasonable due inquiry of any officer or director of Buyer, and the knowledge any such Person would have had if he had performed his services and duties in the ordinary course of business on behalf of Buyer in a reasonably diligent manner.

**“Cap”** has the meaning set forth in Section 8.1.

**“Closing”** has the meaning set forth in Section 2.4.

**“Closing Date”** has the meaning set forth in Section 2.4.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Communications Act”** means collectively, the Communications Act of 1934, as amended, and the rules, regulations, orders, policies and other Laws of the FCC promulgated thereunder.

**“Consent”** means, with respect to a Contract or a Permit, any consent or approval of any Person other than any party to this Agreement which, in accordance with the terms of such Contract or Permit, is required to be obtained for the assignment thereof to Buyer.

**“Contingent Modification Application”** has the meaning set forth in *Exhibit B*.

**“Contracts”** means contracts, commitments, arrangements, agreements, leases, licenses, purchase orders for the sale or purchase of goods or services and any other understandings.

**“Control”** including its various tenses and derivatives (such as **“Controlled”** and **“Controlling”**) means (i) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise and (ii) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security.

**“Copyrights”** means all copyrights, copyright applications and copyright registrations and foreign counterparts thereof, including all rights to computer software programs (including object and source code, program documentation, disks, tapes, manuals, guides and other materials with respect thereto), works of authorship and rights to databases of any kind under the Laws of any jurisdiction and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

**“Current Assets”** means the current assets of the Station Business determined in accordance with the Station’s books and records, but excluding any Excluded Assets.

**“Deductible”** has the meaning set forth in Section 8.1.

**“Deposit”** has the meaning set forth in Section 2.1(b).

**“Dollars”** or **“\$”** means United States dollars.

**“Effective Date”** has the meaning set forth in the preamble hereof.

**“Employee Plan”** means each “employee benefit plan” within the meaning of Section 3(3) of ERISA and each other stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, restricted stock, equity or equity-based, severance, separation, termination, pay in lieu of notice, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, performance, deferred compensation, employee loan, fringe benefit, health, medical, dental, life, disability, accident or group insurance, welfare, vacation, holiday, sick leave, leave of absence, layoff, unemployment, day or dependent care, legal services, cafeteria, workmen’s compensation or insurance, post-retirement insurance, retirement, pension, profit sharing, and any other material benefit plan, agreement, program, policy, commitment or other arrangement, including any Welfare Plan, Pension Plan, or Multiemployer Plan, that is entered into, maintained, contributed to or required to be contributed to, as the case may be, by the Seller or any of its ERISA Affiliates or under which the Seller or any of its ERISA Affiliates would reasonably be expected to incur any liability and covers any Station employee or the spouse or dependents of any Station employee or with respect to which a Station employee is a party.

**“Environmental Law”** means all Laws relating to or addressing (i) the prevention of pollution, the environment, natural resources, or occupational health or safety, or (ii) the production, generation, release, discharge, emission, disposal, transportation, containment or storage, clean up or remediation of any condition involving any Hazardous Material, and the licensing, permitting or regulation of any of the foregoing, including but not limited to CERCLA, OSHA and RCRA and any state equivalent thereof.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

**“ERISA Affiliate”** means, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same “controlled group” as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

**“Escrow Account”** has the meaning set forth in Section 2.1(b).

**“Escrow Agent”** has the meaning set forth in Section 2.1(b).

**“Escrow Agreement”** has the meaning set forth in Section 2.1(b).

**“Event of Loss”** means any loss, taking, condemnation or destruction of, or damage to, any of the Purchased Assets.

**“Excluded Assets”** has the meaning set forth in Section 2.2(b).

**“Excluded Liabilities”** has the meaning set forth in Section 2.3(b).

**“Expiration Date”** has the meaning set forth in Section 8.6(b).

**“FCC”** means the United States Federal Communications Commission.

**“FCC Consent”** means action by the FCC granting its consent to the Assignment Application and the consummation of the transactions contemplated hereby.

**“FCC Licenses”** means the FCC license for the Station and any other licenses, permits, registrations, approvals, or other authorizations issued by FCC to Seller or Seller’s Affiliates with respect to the Station or the Station Business and all applications therefor, together with any renewals, extensions, or modifications thereto.

**“FCC Rules”** means rules, regulations, orders and promulgated and published policy statements, and other Laws of the FCC.

**“Final Order”** means an action by the FCC or other Governmental Authority having jurisdiction (i) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (ii) with respect to which action no timely request for stay, motion or petition for reconsideration or rehearing, application or request for review or notice of appeal or other judicial petition for review is pending and (iii) as to which the time for filing any such request, motion, petition, application, appeal or notice and for the entry of orders staying, reconsidering or reviewing on the FCC’s or such other Governmental Authority’s own motion has expired.

**“Financial Statements”** has the meaning set forth in Section 3.3.

**“Fundamental Representations”** means, (i) with respect to Seller, any of the representations and warranties contained in Sections 3.1 (Organization, Standing and Power), 3.2 (Authority; Binding Agreements), Section 3.4(b) (Tangible Personal Property), the first sentence of 3.10 (Good Title) and 3.22 (Brokers), and (ii), with respect to Buyer, any of the representation and warranties contained in Sections 4.1 (Organization, Standing and Power), 4.2 (Authority; Binding Agreements) and Section 4.6 (Brokers).

**“GAAP”** means United States generally accepted accounting principles and practices as in effect on the date hereof.

**“Governmental Authority”** means any federal, state, local or foreign government, legislature, governmental or administrative agency or commission, any self-regulatory association or authority, any court or other tribunal of competent jurisdiction, or any other governmental authority or instrumentality anywhere in the world.

**“Group Health Plan”** means a “group health plan” as defined in Section 607(1) of ERISA.

**“Inactive Employees”** has the meaning set forth in Section 3.8.

**“Incentive Auction”** means the broadcast incentive auction conducted by the FCC pursuant to Section 6403 of the Spectrum Act.

**“Income Statement”** has the meaning set forth in Section 3.3.

**“Indebtedness”** means, for any Person without double counting, (a) all indebtedness or other obligations of such Person (i) for borrowed money and/or (ii) evidenced by notes, bonds or similar instruments, (b) obligations of such Person for the deferred purchase price of property or services, conditional sale obligations or title retention policies (excluding trade accounts payable), (c) all obligations under leases that are or should be, in accordance with GAAP, recorded as capital leases in respect of which such Person is liable as lessee, (d) all obligations owed pursuant to any letter of credit or interest rate, currency swap or hedging agreement or transaction, or other interest bearing obligation (including credit cards), (e) any of the foregoing obligations which is secured by an Lien on the property or assets of such Person, (f) all accrued and unpaid interest on, and applicable prepayment premiums, breakage costs, penalties or similar contractual charges arising as a result of the discharge at Closing of, any such foregoing obligations, and (g) any of the foregoing for which such Person is liable as an obligor, guarantor, surety or otherwise.

**“Indemnified Party”** has the meaning set forth in Section 8.4(a).

**“Indemnifying Party”** has the meaning set forth in Section 8.4(a).

**“Intellectual Property”** means Patents, Trademarks, Copyrights, and know-how, and all copies and tangible embodiments thereof (in whatever form or media).

**“Law”** means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

**“Leased Real Property”** has the meaning set forth in Section 2.2(a)(iv).

**“liabilities”** or **“liability”** means any and all direct or indirect Indebtedness, liabilities, obligations, costs, expenses, claims, losses, damages, Taxes, deficiencies or responsibilities, whether known or unknown, accrued or fixed, absolute or contingent, liquidated or unliquidated, choate or inchoate, subordinated or unsubordinated, matured or unmatured, secured or unsecured or determined or determinable, whether or not of a kind required by GAAP to be set forth on a financial statement, including those arising under any applicable Law and those arising on account of Taxes, other governmental, regulatory or administrative charges or lawsuit brought, under any Contract or otherwise.

**“Lien”** means any lien (statutory or otherwise), claim, charge, option, security interest, pledge, mortgage, restriction, financing statement or similar encumbrance of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

**“Losses”** has the meaning set forth in Section 8.1.

**“Market”** has the meaning set forth in the recitals hereto.

**“Material Adverse Effect”** means any effect that is materially adverse to the Purchased Assets, taken as a whole, but excluding any such effect resulting from or arising in connection with (A) changes or conditions generally affecting the broadcast television industry, (B) changes in United States general economic, regulatory or political conditions or financial markets, including any change in interest or exchange rates, (C) any change in the legal or regulatory conditions or any change in GAAP or the interpretation or enforcement thereof generally affecting the broadcast television industry, (D) any natural disaster, hostilities, act of terrorism or war (whether or not threatened, pending or declared) or the escalation or material worsening of any such natural disaster, hostilities, acts of terrorism or war, (E) any labor strike, organizing campaign, work stoppage, slowdown, lockout or other labor dispute, (F) the adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any order, protocol, government program, industry standard or applicable law of or by any governmental authority, (G) changes in the competitive marketplace in the market in which the Station operates, including but not limited to the addition of new competitors in the market or the change in formats of any competitive station, (H) actions taken by or at the request of Buyer or an Affiliate of Buyer, (I) ratings or performance of a television network of which the Station is an affiliate, or (J) any failure of the Station Business to meet internal or external projections or forecasts or any estimates of earnings, revenues or other metrics for any period (provided, however, that any event, occurrence, fact, condition, change, development or effect giving rise to such failure or change may be taken into account in determining whether there has been, or is reasonably likely to be, a Material Adverse Effect, except to the extent otherwise excluded hereunder), or (K) the announcement or performance of this Agreement or the transactions contemplated hereby, except with respect to clauses (A) through (G) above, to the extent that the Purchased Assets, taken as a whole, are disproportionately impacted by such effect in comparison to others in the broadcast television industry.

**“Material Contract”** has the meaning set forth in Section 3.13.

**“Multiemployer Plan”** means any “multiemployer plan,” as defined in Section 4001(a)(3) of ERISA, that the Seller or any of its ERISA Affiliates contributes to or is required to contribute to, or with respect to which the Seller or any of its ERISA Affiliates would reasonably be expected to incur any liability whatsoever.

**“MVPDs”** means multichannel video programming distributors, including cable systems, satellite master antenna television, open video systems, multipoint distribution service, multichannel multipoint distribution service and direct broadcast satellite systems.

**“Non-Assignable Right”** has the meaning set forth in Section 2.5(a).

**“Notice of Termination”** has the meaning set forth in Section 7.2(a).

**“Order”** means any decree, order, judgment, injunction, awards, stipulations, decrees or writs, temporary restraining order or other order in any suit or proceeding by or with any Governmental Authority.

**“Patents”** means patents, patent disclosures, design patents, design rights and registered designs, utility models and similar related rights under the Laws of any jurisdiction and all registrations, applications and foreign counterparts thereof, and any foreign equivalents, additions, divisions, continuations, continuations in-part, substitutions, reissues, extensions and renewals of any of the foregoing and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

**“Pension Plan”** means any “employee pension benefit plan” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) that the Seller or any of its ERISA Affiliates maintains, administers, contributes to or is required to contribute to, or with respect to which the Seller or any of its ERISA Affiliates would reasonably be expected to incur any liability whatsoever.

**“Permits”** means all licenses, permits, construction permits, approvals, concessions, franchises, certificates, consents, qualifications, registrations, privileges and other authorizations and other rights, other than the FCC Licenses, from any Governmental Authority issued to Seller or its Affiliates, currently in effect and used in connection with the Purchased Assets, including in connection with the use of any Leased Real Property or Tangible Personal Property, together with any additions thereto between the Effective Date and the Closing Date.

**“Permitted Liens”** means (a) Liens for Taxes or assessments which are not yet due or which are being contested in good faith by appropriate proceedings, (b) statutory mechanics’, materialmen’s, contractors’, warehousemen’s’, repairmen’s’ and other similar statutory Liens arising in the ordinary course of business and which are not delinquent, (c) Liens that will be released at or before Closing, (d) Assumed Liabilities and (e) with respect to the Leased Real Property, easements, rights of way, building and use restrictions and other exceptions that do not, in any material respect, interfere with or impair the use or the ownership and operation of, or have a material adverse effect on, the Station as currently owned and operated.

**“Person”** means a human being, labor organization, partnership, firm, enterprise, association, joint venture, corporation, limited liability company, cooperative, legal representative, foundation, society, political party, estate, trust, trustee, trustee in bankruptcy, receiver or any other organization or entity whatsoever, including any Governmental Authority.

**“Purchased Assets”** has the meaning set forth in Section 2.2(a).

**“Purchased Intellectual Property”** has the meaning set forth in Section 2.2(a)(xii).

**“Purchase Price”** means \$3,350,000.00, subject to adjustment as set forth in this Agreement.

**“Purchase Price Allocation”** has the meaning set forth in Section 2.6(a).

**“Referee”** means an independent certified public accounting firm in the United States mutually acceptable to Seller and Buyer.

**“Related Party”** with respect to any specified Person, means: (i) any Affiliate of such specified Person or (ii) any director, executive officer, general partner or managing member of such specified Person or that Person’s Affiliates.

**“Repack”** has the meaning set forth in Section 3.16(b).

**“Repack Costs”** means the costs or expenses incurred as a result of the relocation of the Station to a new television broadcast channel as mandated by the FCC in connection with the results of the Incentive Auction.

**“Repack Fund”** has the meaning set forth on *Exhibit B*.

**“Required Consents”** has the meaning set forth in Section 2.5(a).

**“Seller”** has the meaning set forth in the preamble hereof.

**“Seller 401(k) Plan”** has the meaning set forth in Section 5.4(g).

**“Seller Expenses”** means, without duplication, all of the fees, expenses, costs, Taxes (other than Transfer Taxes that the Buyer has agreed to pay pursuant to Section 5.6(a) of this Agreement), charges, payments and other obligations that are incurred by or on behalf of the Seller and/or its Affiliates or for which the Seller and/or its Affiliates are otherwise liable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements (whether incurred or to be paid prior to, at or after Closing), including (i) the fees and expenses of the Seller’s and/or its Affiliates’ respective bankers, counsel, accountants, advisors, agents and representatives, and (ii) any success, change of control, special or other bonuses or similar amounts payable by the Seller and/or its Affiliates to any employee, officer or director upon or in connection with the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

**“Seller Indemnified Parties”** has the meaning set forth in Section 8.2.

**“Seller’s Knowledge”** (and similar phrases) means the knowledge, or the knowledge that would reasonably be expected to be gained by, in each case after reasonable due inquiry of David Joseph, and the knowledge any such Person would have had if he had performed his services and duties in the ordinary course of business on behalf of Seller in a reasonably diligent manner.

**“Sibling Station”** means the television broadcast station WIPL (formerly WPME), Portland, Maine (FCC Facility ID No. 48408).

**“Sibling Station Business”** means the business of owning and operating the Sibling Station.

**“Spectrum Act”** means the Middle Class Tax Relief and Job Creation Act, Pub. L. No. 112-96, §6403, 126 Stat. 156, 225-230 (2012).

**“Station”** has the meaning set forth in the recitals hereof.

**“Station Business”** means the business of owning and operating the Station.

**“Straddle Period”** has the meaning set forth in Section 5.6(b)(i).

**“Tangible Personal Property”** has the meaning set forth in Section 2.2(a)(v).

**“Tax”** means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, unclaimed property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

**“Tax Return”** means any return, declaration, report, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and shall include any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority.

**“Termination Date”** has the meaning set forth in Section 7.1(b).

**“Tower”** means all antenna support structures, including any guy anchors and guy wires, used or useful in connection with the operation of the Station.

**“Trademarks”** means trademarks, trade names, trade dress, service marks and service names, logos, slogans, brand names and internet domain names and social media account or user names (including "handles"), all associated web addresses, URLs, websites and web pages, social media accounts and pages, and all content and data thereon or relating thereto, whether or not Copyrights and Seller's interest in and with respect to the Station's call sign, and all registrations, applications for registration, renewals and foreign counterparts thereof, together with the goodwill of the business associated therewith and symbolized thereby, and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

**“Transfer Taxes”** has the meaning set forth in Section 5.6(a).

**“WARN Act”** means the Work Adjustment and Retraining Notification Act of 1988, as amended, and any similar state or local “plant closing” or “mass layoff” Law.

**“Welfare Plan”** means any “employee welfare benefit plan,” as defined in Section 3(1) of ERISA, that covers any employee of Seller, and that the Seller or any of its Affiliates



maintains, administers, contributes to or is required to contribute to or would reasonably be expected to incur any liability under whatsoever.

## ***II. Descriptive Headings; Certain Interpretations.***

(a) Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(b) Except as otherwise expressly provided in this Agreement or as the context otherwise requires, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) “or” and “any” are not exclusive and the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation”; (iii) a reference to any Contract includes permitted supplements and amendments; (iv) a reference to a Law includes any amendment or modification to such Law; (v) a reference to a Person includes its successors, heirs and permitted assigns; (vi) a reference to one gender shall include any other gender; and (vii) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the referenced Article, Section, Exhibit or Schedule of this Agreement.

(c) The parties hereto agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any Law or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

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