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STOCK PURCHASE AGREEMENT

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AMONG

BONTEN MEDIA GROUP, LLC,

RANDALL D. BONGARTEN,

BONTEN MEDIA GROUP HOLDINGS, INC.,

and

SINCLAIR TELEVISION GROUP, INC.

Dated as of April 14, 2017

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STOCK PURCHASE AGREEMENT (this “Agreement”), dated as of April 14, 2017, among Bonten Media Group, LLC, a Delaware limited liability company (the “Parent”), Randall D. Bongarten (the “Management Seller,” and together with the Parent, the “Sellers” (and each, a “Seller”), Bonten Media Group Holdings, Inc., a Delaware corporation (the “Company”), and Sinclair Television Group, Inc., a Maryland corporation (the “Purchaser,” and together with the Sellers and the Company, the “Parties”).

WHEREAS, the Sellers own the number of shares (“Shares”) of common stock (the “Company Common Stock”) set forth opposite their respective name on Section 3.03 of the Disclosure Schedule, which in aggregate constitutes all of the issued and outstanding shares of capital stock of the Company;

WHEREAS, the Sellers wish to sell and transfer to the Purchaser, and the Purchaser wishes to purchase from the Sellers, the Shares, all upon the terms and subject to the conditions set forth herein;

WHEREAS, the Company, through the Acquired Subsidiaries, is engaged in the business of (i) owning and operating, directly or indirectly, the local television stations in the markets set forth on Annex A (each a “Station” and collectively, the “Stations”) pursuant to certain licenses, permits and other authorizations issued by the FCC and (ii) providing services in connection with the Esteem Agreements to the local television stations (the “Esteem Stations”) set forth on Annex B (the “Business”);

WHEREAS, David L. Bailey (the “Esteem Seller”) owns all of the equity interests (the “Esteem Interests”) of Esteem Broadcasting LLC, a Delaware limited liability company, Esteem Broadcasting of North Carolina LLC, a Delaware limited liability company, and Esteem Broadcasting of California LLC, a Delaware limited liability company (each an “Esteem Company” and collectively, “Esteem”);

WHEREAS, Esteem, directly or indirectly, owns and operates and holds the FCC licenses and Permits necessary to operate the Esteem Stations (the “Esteem FCC Licenses”) and is in the business of owning and operating the Esteem Stations, subject to the services provided by the Acquired Companies (the “Esteem Business”);

WHEREAS, simultaneously herewith, the Esteem Seller and Cunningham Broadcasting Corporation, a Delaware corporation (the “Esteem Buyer”) are entering into an agreement (the “Esteem Purchase Agreement”) pursuant to which the Esteem Buyer will collectively acquire all of the Esteem Interests;

WHEREAS, it is a condition of this Agreement that the transactions contemplated by the Esteem Purchase Agreement be consummated simultaneously with the transactions contemplated hereunder;

WHEREAS, it is the Parties’ intention that following the consummation of the transactions contemplated hereunder (a) the Purchaser and/or its designee will own or control the FCC Licenses; and (b) the Esteem Buyer and/or its designee will own or control the Esteem FCC Licenses; and

WHEREAS, in connection with the foregoing, this Agreement contemplates the filing with the FCC of one or more applications to obtain the necessary FCC consents with respect to the transactions described in this Agreement, which application(s) will seek FCC consent to the assignment of the Acquired Companies to the Purchaser.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

## **ARTICLE I DEFINITIONS**

SECTION 1.01      Certain Defined Terms. For purposes of this Agreement:

“Accounting Principles” means GAAP, and to the extent consistent with GAAP, the accounting principles, practices, procedures, policies and methods (with consistent classifications, judgments, elections, inclusions, exclusions and valuation and estimation methodologies, including no change in any reserve included in Current Liabilities or any new reserve included in Current Liabilities, except as would be required to reflect factual circumstances in existence prior to the Closing that were not taken into account in initially establishing the reserve) utilized in the preparation of the Company Financial Statements and the Reference Statement of Working Capital.

“Acquired Companies” means the Company and the Acquired Subsidiaries.

“Acquired Esteem Companies” means the Esteem Companies and their Subsidiaries.

“Acquired Subsidiary” means each Subsidiary of the Company set forth on Section 4.03(b) of the Disclosure Schedule.

“Action” means any action, suit, arbitration, litigation, formal investigation or proceeding before or by any Governmental Authority, excluding any FCC proceeding of general applicability to the broadcast television industry.

“Affiliate” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

“Aggregate Post-Closing Basis Amount” means the sum of the amortizable or depreciable basis of the assets of the Acquired Companies and the Acquired Esteem Companies, as determined for U.S. federal income tax purposes as of the beginning of the day immediately following the Closing Date (excluding, for the avoidance of doubt, any Cash or Current Assets); provided, that the Aggregate Post-Closing Basis Amount shall not be reduced by any reduction in the Tax basis of any Acquired Esteem Company arising solely as a result of the purchase and sale of such Acquired Esteem Company pursuant to the Esteem Purchase Agreement, and shall be determined as if the Closing had occurred on the Applicable Date if the Applicable Date is not the Closing Date.



“Aggregate Fully-Diluted Shares” means the sum of the aggregate number of Shares outstanding immediately prior to the Closing, plus the aggregate number of Shares issuable upon the exercise in full of all in-the-money Company Options outstanding immediately prior to the Closing.

“Aggregate Option Exercise Price” means the aggregate amount that would be paid to the Company in respect of all in-the-money Company Options outstanding as of immediately prior to the Closing had such Company Options been exercised in full, without regard to vesting or any other restriction upon exercise (and assuming concurrent payment in full of the exercise price of each such Company Option solely in cash), immediately prior to the Closing in accordance with the terms of the applicable option agreement with the Company pursuant to which such Company Option was issued.

“Aggregate Option Payment” means an amount of cash equal to the sum of the Option Payments for all Company Options outstanding as of immediately prior to Closing.

“Applicable Date” means the date that is the earlier of (a) the Closing Date and (b) June 30, 2017.

“Applicable Tax Rate” means an amount equal to the sum of (a) the highest marginal rate of U.S. federal income tax applicable to a U.S. corporation, utilizing the U.S. federal income tax rates applicable to the taxable year in which the Incentive Auction Proceeds are received by Eastern, and (b) three percent (3%).

“Bonus Weight Liability” the aggregate value of commercial spots owed to advertisers as *bona fide* “make-goods” to compensate for under-delivery of ratings guarantees in respect of such spots, valued as of the Closing for the Business, and based on the cost per rating point deficit in respect of each such spot (it being acknowledged and agreed by the Parties that such cost per rating point deficit shall be determined with reference to the applicable terms and conditions (including pricing) of each respective underlying contract between the Business and such advertiser).

“Broadcast Incentive Auction” means the FCC reverse broadcast incentive auction to be conducted pursuant to Section 6403 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. No. 112-96, § 6403, 126 Stat. 156, 225-230 (2012)), codified at 47 U.S.C. § 1452, which began on May 31, 2016.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York.

“Business Employee” means an employee of an Acquired Company.

“Cash” means the sum of all cash, cash equivalents and liquid investments (plus all deposited and uncleared bank deposits (other than any such deposits that are not cleared as of the date of final determination of the Final Closing Statement) and less all outstanding checks (other than checks that have not been cleared as of the date of final determination of the Final Closing Statement)) of any Acquired Company or Acquired Esteem Company.

“Closing Cash Amount” means the aggregate amount of Cash of the Acquired Companies and Esteem as of 11:59 p.m. New York time on the date immediately preceding the Closing Date.

“Closing Date Working Capital Amount” means, as of a specified date, the positive or negative amount equal to the difference between (a) the Current Assets less (b) the Current Liabilities, in each case, calculated as of 11:59 p.m. New York time on the date immediately preceding the Closing Date. For the avoidance of doubt, the Closing Date Working Capital Amount shall be calculated exclusive of any amounts included in the calculation of the Company Transaction Expenses, the Closing Indebtedness Amount or the Closing Cash Amount.

“Closing Date Working Capital Excess” means the amount, if any, by which the Closing Date Working Capital Amount (as finally determined in accordance with Section 2.06) exceeds the Target Working Capital Amount.

“Closing Date Working Capital Shortfall” means the amount, if any, by which the Target Working Capital Amount exceeds the Closing Date Working Capital Amount (as finally determined in accordance with Section 2.06).

“Closing Indebtedness Amount” means the aggregate amount of Indebtedness of the Acquired Companies and Acquired Esteem Companies (other than any Indebtedness between any Acquired Company or Acquired Esteem Company, on the one hand, and any other Acquired Company, Acquired Companies, Acquired Esteem Company or Acquired Esteem Companies, on the other hand) as of 11:59 p.m. New York time on the date immediately preceding the Closing Date.

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

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

“Company Equity Securities” means, collectively, the Shares and the Company Options.

“Company Fundamental Representations” means the representations and warranties of the Company contained in Section 4.01, Section 4.02, Section 4.12, Section 4.16, and Section 4.23.

“Company IP Agreements” means all (i) licenses of Intellectual Property by an Acquired Company to any Person (excluding standard licenses granted to customers in connection with the sale of products and services), and (ii) licenses of Intellectual Property by any Person to an Acquired Company (excluding “shrink-wrap” and “click-wrap licenses” and licenses for generally commercially available Software).

“Company’s Knowledge,” “Knowledge of the Company” or similar terms used in this Agreement mean the actual knowledge of the Persons set forth on Schedule 1.01(a)(i) as of the date of this Agreement and following reasonable inquiry by such Persons of the general manager, chief engineer and business manager (or similarly situated persons) of each Station.

“Company Option” means any option to purchase one or more shares of Company Common Stock issued pursuant to a Company Plan.

“Company Option Tax Payment Amount” means, with respect to any payment required to be made by the Purchaser pursuant to Section 8.08, an amount equal to the Applicable Tax Rate times the sum of any deductions permitted to be taken for U.S. federal income tax purposes as a result of (i) any payment to a Stockholder in respect of any Company Options under Section 8.08 and (ii) any Employer Employment Taxes associated with such payment to a Stockholder in respect of any Company Options.

“Company Plans” means (i) the employee compensation and benefit plans, programs or arrangements sponsored or maintained or contributed to by the Acquired Companies or any ERISA Affiliate or with respect to which an Acquired Company or any ERISA Affiliate has or may have any actual or contingent liability or obligation (including any such obligations under any terminated plan or arrangement), including but not limited to “employee benefit plans,” as defined in Section 3(3) of ERISA, Multiemployer Plans, deferred compensation plans, stock option or other equity compensation plans, stock purchase plans, phantom stock plans, bonus plans, fringe benefit plans, life, health, dental, vision, hospitalization, disability and other insurance plans, employee assistance programs, severance or termination pay plans and policies, and sick pay and vacation plans or arrangements, whether or not described in Section 3(3) of ERISA, and any other material employee benefit plan or agreement sponsored and maintained by any Acquired Company or an ERISA Affiliate for the benefit of any current or former employee (including their eligible dependents and beneficiaries) of the Business, and any Contracts or arrangements between an Acquired Company and a current employee of the Business.

“Company Transaction Expenses” means, without duplication, all costs, fees and expenses incurred by any of the Acquired Companies or Acquired Esteem Companies, as of the close of business on the Closing Date and not paid prior to the Closing Date, in each case in connection with the negotiation, execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or thereby, including (a) all brokerage fees, commissions, finders’ fees or financial advisory fees so incurred, (b) the fees and expenses of legal counsel, accountants, consultants and other experts and advisors so incurred, (c) all costs of and fees associated with the D&O Tail Policy, (d) all severance or termination payments, transaction bonuses, retention bonuses or similar payments to employees of the Acquired Companies or the Acquired Esteem Companies (including any such payments owed to any Non-Retained Employee) payable as a result of the consummation of the transactions contemplated by this Agreement or the Esteem Purchase Agreement, including all Employer Employment Taxes of any Acquired Company or Acquired Esteem Company related to such payments and any Tax “gross up” or similar payments, (e) all Employer Employment Taxes relating to the Option Payments, any payments in respect of a Company Option pursuant to Section 2.06(e), Section 8.08 or any Residual Option Payments (but only to the extent that the Residual Option Payment has been paid prior to the applicable time of calculation of the Company Transaction Expenses), (f) any rental and other amounts outstanding and payable, as of the Closing, for the remaining term under the real property lease of the Bonten Media Group Corporate Office, located at the Empire State Building, 350 Fifth Avenue, Suite 5340, New York, NY 10118 (net of all cash collateral posted with the landlord), and (g) fees, costs and expenses relating to the termination of any Company Plan, as set forth on Section 4.16(a) of the Disclosure Schedule; provided,

however, that in no event shall any of the following be considered a “Company Transaction Expense”: (i) any “double-trigger” payments due to the Continuing Employees that are triggered in part by the consummation of the transactions contemplated by this Agreement and in part by an action of the Purchaser after the Closing Date, (ii) any payments made pursuant to any offer letter or any other employment agreement, bonus plan or other analogous agreement or plan entered into by the Purchaser or its Affiliates (other than by the Acquired Companies prior to Closing) and (iii) costs, fees and expenses incurred by any of the Acquired Companies or Acquired Esteem Companies arising out of or resulting from any actions taken pursuant to a request of the Purchaser under Section 2.09(d), Section 8.05(b) or Section 8.11(a).

“Contract” means any written contract, agreement, license, sublicense, lease, sublease, commitment, or sales or purchase order.

“Control” (including the terms “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Conveyance Taxes” means all sales, documentary, use, value added, transfer, stamp, stock transfer, registration, and real property transfer and similar Taxes.

“Current Assets” means the total amount of the current assets of the Acquired Companies on a consolidated basis, including any current assets of Esteem, as determined in accordance with the Accounting Principles solely reflecting the categories and line items of current assets set forth on the Reference Statement of Working Capital (it being agreed that no Cash or Tax assets shall be included as a Current Asset, but prepayments of current Taxes attributable to a Post-Closing Period shall be included as Current Assets, and it being further agreed that no (i) receivable or other asset relating to the Incentive Auction Proceeds or (ii) assets that are not related to a Station (other than Tax assets) shall be included as a Current Asset).

“Current Liabilities” means the total amount of the current liabilities of the Acquired Companies on a consolidated basis, including any current liabilities of Esteem, as determined in accordance with the Accounting Principles solely reflecting the categories and line items of current liabilities set forth on the Reference Statement of Working Capital (it being agreed that (i) no Indebtedness and (ii) no Liability arising out of or resulting from any of the steps or actions required to be taken by the Acquired Companies or the Esteem Companies in order to comply with provisions of Section 2.09(d), Section 8.05(b) or Section 8.11(a) shall be included as a Current Liability, but that the Bonus Weight Liability but only to the extent such amount exceeds \$50,000 in aggregate and current Tax liabilities shall be included as Current Liabilities (including current Tax liabilities for the portion of a Straddle Period ending on the Closing Date, as determined in accordance with Section 8.01(b)).

“Disclosure Schedule” means the Disclosure Schedule attached hereto, dated as of the date hereof, delivered by the Sellers to the Purchaser in connection with this Agreement.

“Eastern” means Eastern North Carolina Broadcasting Corporation, a North Carolina corporation.

“Employer Employment Taxes” means with respect to any employees of the Acquired Companies or Esteem Companies who receive any Option Payments pursuant to Section 2.06(e), or Section 8.08, any Residual Option Payments or any other amounts treated as Company Transaction Expenses, the sum of (i) the tax imposed by Code Section 3111(b) (or any successor provision), and (ii) the tax imposed by Code Section 3111(a) (or any successor provision) calculated (with respect to each such employee) as if prior to the payment of such Option Payments, Residual Option Payments or other Company Transaction Expenses such employee had previously received compensation from the Acquired Companies or Esteem Companies equal to such employee’s annual base salary.

“Encumbrance” means any security interest, pledge, hypothecation, charge, mortgage, lien or encumbrance (excluding any licenses of Intellectual Property).

“Enforceability Exceptions” means (a) any applicable bankruptcy, insolvency (including Laws relating to fraudulent transfers), reorganization, moratorium or other similar Laws affecting creditors’ rights generally, and (b) general principles of equity (regardless of whether considered in a proceeding at law or in equity).

“Environmental Law” means any Law, in effect as of the date hereof, whether local, state, or federal, relating to (a) Releases or threatened Releases of Hazardous Materials into the environment; (b) the use, treatment, storage, disposal, handling, discharging or shipment of Hazardous Material; (c) the regulation of Hazardous Material-containing storage tanks; or (d) otherwise relating to pollution, or the protection of the environment or, as such relates to exposure to Hazardous Material, human health and occupational safety.

“Environmental Permits” means any permit, approval, identification number, license and other authorization required under or issued pursuant to any applicable Environmental Law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended through the date hereof.

“ERISA Affiliate” means any trade or business, whether or not incorporated that, together with an Acquired Company, would be deemed a “single employer” within the meaning of Section 4001(b)(i) of ERISA.

“Escrow Agent” means Wilmington Trust, National Association.

“Escrow Agreement” means the agreement among the Purchaser, the Parent and the Escrow Agent in substantially the form of Exhibit A hereto.

“Esteem Agreements” means the Contracts set forth on Annex E to this Agreement.

“Esteem Buyer Fundamental Representations” means the representations and warranties of Esteem Buyer contained in Section 5.01 and Section 5.02 of the Esteem Purchase Agreement.

“Esteem Employee” means an employee of an Acquired Esteem Company.

“Esteem Fundamental Representations” means the representations and warranties of Esteem and the Esteem Seller contained in Section 3.01, Section 3.02, Section 3.04, Section 3.14, Section 3.20, Section 4.01, Section 4.02 and Section 4.05 of the Esteem Purchase Agreement.

“Estimated Purchase Price” is an amount equal to the following:

- (i) the Purchase Price;
- (ii) minus the Estimated Closing Indebtedness Amount;
- (iii) plus the Estimated Closing Cash Amount;
- (iv) minus the Estimated Company Transaction Expenses;
- (v) either plus the Estimated Closing Date Working Capital Excess or minus the Estimated Closing Date Working Capital Shortfall, as the case may be;
- (vi) either plus the Estimated Spectrum Adjustment Amount, in the event Eastern has not received the Incentive Auction Proceeds prior to the Closing, or minus the Estimated NOL Reduction Amount, in the event Eastern receives the Incentive Auction Proceeds prior to the Closing; and
- (vii) minus the Estimated Basis Shortfall Amount.

“Excluded Taxes” means, subject to the exclusions set forth in Section 8.01(a), (a) any Tax incurred by an Acquired Company or an Acquired Esteem Company for any Pre-Closing Period (determined, in the case of the pre-Closing portion of a Straddle Period, in the manner set forth in Section 8.01(b)), (b) any Tax of another Person (other than another Acquired Company or Acquired Esteem Company) imposed on any Acquired Company or any Acquired Esteem Company as a result of having been a member of an affiliated, consolidated, combined or unitary Tax group on or prior to the Closing Date, (c) any Tax of another Person imposed on any Acquired Company or any Acquired Esteem Company by operation of Law, as a transferee or successor or by contract entered into prior to the Closing (other than a customary commercial contract the principal subject matter of which is not Taxes and which was entered into in the ordinary course of business), (d) any Conveyance Taxes for which the Sellers are responsible, as provided under Section 8.06 and (e) any Tax arising from the breach of any representation or warranty relating to Taxes contained in this Agreement or the Esteem Purchase Agreement.

“FCC” means the Federal Communications Commission.

“FCC Consent” means the consent of the FCC to the transactions contemplated in (i) the FCC Applications and (ii) the Esteem Purchase Agreement.

“FCC License” means any FCC license or Permit, (a) for a Station set forth on Annex D, issued by the FCC under Subpart G of Part 74 of Title 47 of the Code of Federal Regulations and granted or assigned to any of the Acquired Companies, and (b) with respect to any other Station, issued by the FCC under Part 73 of Title 47 of the Code of Federal Regulations and granted or assigned to any Acquired Company.

“Final Closing Statement” means (a) the Initial Closing Statement, if the Parent delivers a Notice of Acceptance or fails to deliver a Notice of Disagreement by the Objection Deadline Date, or (b) the Initial Closing Statement as modified in accordance with Section 2.06(d), if the Parent timely delivers a Notice of Disagreement.

“Fundamental Representations” means, collectively, the Company Fundamental Representations, the Seller Fundamental Representations, the Purchaser Fundamental Representations, the Esteem Fundamental Representations, and the Esteem Buyer Fundamental Representations.

“GAAP” means United States generally accepted accounting principles and practices in effect from time to time applied consistently throughout the periods involved.

“Governing Documents” means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs.

“Governmental Authority” means any federal, national, supranational, state, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Materials” means any substance that is defined, listed or otherwise classified as a contaminant, pollutant, toxic pollutant, toxic or hazardous substance, extremely hazardous substance or chemical, hazardous waste, medical waste, biohazardous or infectious waste, or special waste under Environmental Law, including polychlorinated biphenyls, petroleum or petroleum compounds, asbestos or any asbestos-containing materials.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“Incentive Auction Proceeds” means an aggregate amount equal to \$39,546,608 (being the amount required to be paid by Esteem Broadcasting of North Carolina LLC to Eastern as a result of the sale of WFXI’s FCC License in the Broadcast Incentive Auction less the Univision Fee).

“Indebtedness” means, as of any time, without duplication, as applied to any Person: (a) the principal of and accrued and unpaid interest in respect of (i) indebtedness of such

Person for money borrowed or indebtedness issued or incurred in substitution or exchange for indebtedness for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments, the payment of which such Person is responsible or liable; (b) all obligations of such Person (i) under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities), (ii) under any interest rate, currency, commodity or other hedging, swap, forward or option agreement, (iii) under any performance bond, banker's acceptance or letter of credit, but only to the extent drawn or called prior to the Closing and (iv) in respect of capitalized leases as determined in accordance with the Accounting Principles; (c) all obligations of the type referred to in clauses (a) and (b) of any Person, the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise; and (d) for clauses (a) through (c), any termination fees, prepayment penalties, change of control, "breakage" cost or similar payments (but excluding, for the avoidance of doubt, any cash collateral required in respect of any performance bond, banker's acceptance or letter of credit) associated with the repayments of the items set forth in clauses (a) through (c) on the Closing Date to the extent paid on the Closing Date. Notwithstanding the foregoing, Indebtedness, as applied to the Acquired Companies, shall exclude, for all purposes, (A) any Program Rights Obligations, (B) any Contract or obligations thereunder governing or providing for the rental of space in transmission towers owned or held by the Acquired Companies, and (C) all costs, fees and expenses incurred by any of the Acquired Companies or Esteem Companies arising out of or resulting from taking any actions or doing such things as are necessary, proper or advisable in order to comply with, and consummate the transactions contemplated by, Section 2.09(d), Section 8.05(b) or Section 8.11.

"Indemnified Party" means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

"Indemnifying Party" means the Parent pursuant to Section 8.01 or Section 10.02 and the Purchaser (or any other Affiliate of the Purchaser that owns all or substantially all of the Business) pursuant to Section 10.03, as the case may be.

"Indemnity End Date" means the first to occur of the following two dates: (i) the Final Release Date and (ii) the date on which no amounts (minus the aggregate amount claimed by the Purchaser Indemnified Parties pursuant to indemnification claims made in accordance with this Agreement and not fully resolved prior to such date) remain in the Escrow Fund.

"Intellectual Property" means all intellectual property rights in respect of the following: (a) patents and patent applications, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon, (b) trademarks, service marks, trade dress, trade names, service names, brand names, other business identifiers, logos, corporate names and Internet domain names, together with the goodwill associated exclusively therewith, (c) copyrights, including copyrights in computer Software, (d) registrations and applications for and renewals of any of the foregoing, and (e) confidential and proprietary information, including trade secrets.

"Intercompany Agreement" means any Contract between an Acquired Company, on the one hand, and either Seller or any of their respective Affiliates (other than the Acquired Companies), on the other hand.



“IRS” means the Internal Revenue Service of the United States.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Leased Real Property” means the real property leased by the Acquired Companies, in each case, as tenant, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon of any of the Acquired Companies (and fixtures attached or appurtenant thereto), as the case may be, and all easements, licenses, rights and appurtenances relating to the foregoing.

“Liabilities” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Governmental Order and those arising under any Contract.

“Market” means the geographic area delineated and determined by Section 76.55(e) of the Communications Laws, or such other rule or decision of the FCC as may be promulgated from time to time for purposes of its must-carry rules to determine local television markets for commercial broadcast television stations, and as may be amended by applicable market modification decisions of the FCC, for the Stations.

“Material Adverse Effect” means any circumstance, change, effect, development or condition that, individually or considered together with all other circumstances, changes, effects, developments and conditions, has had or would reasonably be expected to have a material adverse effect on the business, results of operations, assets or financial condition of the Business (including the Esteem Business), taken as a whole; provided, however, that none of the following, either alone or in combination, shall be considered in determining whether there has been a “Material Adverse Effect” or a breach of a representation, warranty, covenant or agreement that is qualified by the term “Material Adverse Effect”: (i) events, circumstances, changes or effects that generally affect the industries in which the Acquired Companies operate (including legal and regulatory changes), (ii) general economic, market, business, regulatory or political conditions (or changes therein) or events, circumstances, changes, effects or developments affecting the financial, credit, securities, commodities or derivatives markets in the United States, or any Market in which any Station conducts business or in any other country or region in the world, including changes in interest rates or foreign exchange rates, (iii) events, circumstances, changes or effects arising from, or attributable to, the announcement of the execution of this Agreement or the pendency of the transactions contemplated hereby, (iv) any circumstance, change, effect or development that results from compliance with the terms of, or the taking of any action required or contemplated by, this Agreement, or any action taken, or failure to take action, or such other changes, in each case which the Purchaser or any of its Affiliates has approved, consented to or requested or otherwise taken or omitted to take (or any action not taken as a result of the failure of the Purchaser to consent to any action requiring the Purchaser’s consent pursuant to Section 6.01), (v) events, circumstances, changes or effects arising from, or attributable to, acts of terrorism or war (whether or not declared) occurring after the date hereof, including any escalation or worsening thereof, (vi) events, circumstances,

changes or effects arising from, or attributable to, natural disasters, (vii) events, circumstances, changes or effects arising from, or attributable to, changes (or proposed changes) or modifications in GAAP, other applicable accounting standards or applicable Law or the interpretation or enforcement thereof applicable to the Acquired Companies, (viii) events, circumstances, changes or effects arising from, or attributable to, any matter disclosed in, or reasonably determinable from, the Disclosure Schedule or the disclosure schedules that form part of the Esteem Purchase Agreement and (ix) the failure by the Acquired Companies to meet any internal or industry estimates, expectations, projections or budgets for any period (provided, that to the extent not the subject of any of the foregoing clauses (i) through (ix) above, the underlying cause of such failure may be taken into account to determine whether a Material Adverse Effect has occurred), except in the cases of clauses (i), (ii), (v), (vi) and (vii) to the extent such circumstance, change, effect, development or condition has a materially disproportionate effect on the Acquired Companies, taken as a whole, compared with other Persons operating in the industries in which the Acquired Companies operate, in which case only the incremental disproportionate adverse impact may be taken into account in determining whether there has occurred a Material Adverse Effect.

“MVPDs” means multi-channel video programming distributors, as defined by the FCC, including cable systems, telephone companies and direct broadcast satellite systems.

“Neutral Accountant” means an independent accounting firm of international reputation with expertise in accounting matters reasonably acceptable to the Parent and the Purchaser.

“Objection Deadline Date” means the date 30 days after delivery by the Purchaser to the Parent of the Initial Closing Statement.

“Option Holder” means a holder of a Company Option under the Company Plans as of immediately prior to the Closing.

“Option Payment” means, with respect to any Company Option, an amount of cash equal to (a) the product of (i) the Per Share Payment, multiplied by (ii) the aggregate number of Shares issuable in respect of such Company Option outstanding as of immediately prior to the Closing, minus (b) the aggregate exercise price that would be paid to the Company in respect of such Company Option had such Company Option been exercised in full immediately prior to the Closing, in each case, in accordance with the terms of the applicable option agreement with the Company pursuant to which such Company Option was issued and without regard to vesting or any other restriction upon exercise and assuming concurrent payment in full of the exercise price of such Company Option solely in cash.

“ordinary course of business” or any similar expression means in the ordinary course of the applicable Person’s business consistent with past practice.

“Owned Intellectual Property” means all Intellectual Property owned by an Acquired Company.

“Owned Real Property” means the real property owned by the Acquired Companies, together with all buildings and other structures, facilities or improvements currently

or hereafter located thereon of any of the Acquired Companies (and fixtures attached or appurtenant thereto), as the case may be, and all easements, licenses, rights and appurtenances relating to the foregoing.

“Payoff Letters” means, with respect to any Closing Indebtedness Amount, a payoff letter evidencing payoff of the applicable Indebtedness and the release of the applicable Acquired Company from any and all obligations (including any Encumbrances) in respect of such Indebtedness, in a form reasonably acceptable to the Purchaser.

“Per Share Payment” means, with respect to each Share, an amount equal to the quotient of (a) the sum of (i) the Estimated Purchase Price plus (ii) the Aggregate Option Exercise Price minus (iii) the Escrow Amount and the Special Tax Escrow Amount divided by (b) the number of Aggregate Fully-Diluted Shares.

“Percentage Interest” means, with respect to any Seller, the percentage determined by dividing (a) the aggregate number of Shares held by such Seller as of immediately prior to the Closing (if any) by (b) the number of Shares outstanding as of immediately prior to the Closing.

“Permit” means, with respect to any Person, any license, franchise, permit, accreditation, certification, consent, approval, certificate or other similar authorization issued by, or otherwise granted by, any Governmental Authority to which or by which such Person is subject or bound or to which or by which any property, business or operation of such Person is subject or bound.

“Permitted Encumbrances” means (a) statutory liens for current Taxes not yet due or delinquent (or which may be paid without interest or penalties) or the validity or amount of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP, (b) mechanics’, carriers’, workers’, repairers’ and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of any of the Acquired Companies or the validity or amount of which is being contested in good faith by appropriate proceedings, or pledges, deposits or other liens securing the performance of bids, trade contracts, leases or statutory obligations (including workers’ compensation, unemployment insurance or other social security legislation), (c) liens on leases, subleases, easements, licenses, rights of use, rights to access and rights of way arising therefrom or which do not or would not materially impair the use or occupancy of the Real Property of any of the Acquired Companies, (d) any Encumbrances that would be set forth in any title policies, endorsements, title commitments, title certificates and/or title reports relating to interest of any of the Acquired Companies in Real Property and any zoning, entitlement, conservation restriction and other land use and environmental regulations by Governmental Authorities, in each case, which do not materially impair the present use of the properties or assets of any of the Acquired Companies, (e) all covenants, conditions, restrictions, easements, charges, rights-of-way, other Encumbrances and other similar matters of record set forth in any state, local or municipal recording or like office which do not materially interfere with the present use of the properties or assets of any of the Acquired Companies, (f) matters which would be disclosed by an accurate survey or inspection of the Real Property which do not materially impair the occupancy or current use thereof by the Acquired

Companies, (g) minor encroachments, including to foundations and retaining walls, (h) standard survey and title exceptions, (i) variations, if any, between tax lot lines and property lines, (j) deviations, if any, of fences or shrubs from designated property lines which do not materially impair the present use of the properties or assets of any of the Acquired Companies, (k) any right reserved to any Governmental Authority to regulate the affected property that is stated in any Permits or recorded documents, (l) Encumbrances created by or through the Purchaser or any of its Affiliates, (m) Encumbrances that will be released prior to or as of the Closing Date, including, without limitation, all mortgages and security interests securing Indebtedness of the Acquired Companies, and (n) all other Encumbrances that, individually or in the aggregate, would not be material to the operation of the Business of the Acquired Companies in the ordinary course of business.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the Closing Date.

“Pre-Closing Operating Taxable Income Amount” means an amount equal to the taxable income (if any), as determined for U.S. federal income tax purposes, of the affiliated group of which the Company is the common parent, for the taxable period ending on the Closing Date, excluding (i) the receipt of the Incentive Auction Proceeds, (ii) any deduction resulting from interest expense that was carried forward under Section 163(j)(1)(B) of the Code, (iii) any income from the cancellation of indebtedness with respect to which an election was made under Section 108(i) of the Code that must be recognized by the affiliated group of which the Company is the common parent, for the taxable period ending on the Closing Date, and (iv) any deductions described in the definition of the Transaction Tax Deduction Amount; provided, however, that if the Applicable Date is not the Closing Date, then the Pre-Closing Operating Taxable Income Amount shall be determined as though the Closing occurred on the Applicable Date.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or prior to the Closing Date.

“Program Rights” means all rights of the Stations to broadcast television programs or shows as part of the Stations’ programming, including all rights of the Stations under all film and program barter agreements, sports rights agreements, news rights or service agreements, affiliation agreements and syndication agreements.

“Program Rights Obligations” shall mean all obligations in respect of the purchase, use, license or acquisition of programs, programming materials, films and similar assets used relating to the utilization of the Program Rights.

“Purchase Price Bank Account” means one or more bank accounts in the United States to be designated by the Parent in a written notice to the Purchaser at least two Business Days before the Closing.

“Purchaser Disclosure Schedule” means the Purchaser Disclosure Schedule attached hereto, dated as of the date hereof, delivered by the Purchaser to the Sellers in connection with this Agreement.

“Purchaser Fundamental Representations” means the representations and warranties of the Purchaser contained in Section 5.01 and Section 5.02.

“Real Property” means all land, buildings, improvements and fixtures erected thereon and all appurtenances related thereto.

“Reference Statement of Working Capital” means the statement setting forth the Current Assets and Current Liabilities of the Acquired Companies on a consolidated basis, dated as of March 31, 2017, a copy of which is set forth on Annex C, and which was prepared in accordance with the Accounting Principles.

“Registered” means issued by, registered or filed with, renewed by or the subject of a pending application before any Governmental Authority or Internet domain name registrar.

“Registered Owned Intellectual Property” means all Owned Intellectual Property that is Registered.

“Regulations” means the Treasury Regulations (including Temporary Regulations) promulgated by the United States Department of Treasury with respect to the Code.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching into the environment.

“Remedial Action” means all actions required by Environmental Laws to clean up, remove, treat or address any Hazardous Material in the environment at levels exceeding those allowed by applicable Environmental Laws, including pre-remedial studies and investigations or post-remedial monitoring and care.

“Representatives” means, with respect to any Person, such Person’s Affiliates and its and their respective directors, officers, employees, agents and advisors.

“Residual Option Payment” means, with respect to any in-the-money Company Option, any amounts paid pursuant to Section 2.08.

“Residual Option Tax Payment Amount” means, with respect to any release of funds to Parent pursuant to Section 10.07(b), an amount equal to the Applicable Tax Rate times the sum of any deductions permitted to be taken for U.S. federal income tax purposes as a result of (i) any Residual Option Payments included in such release and (ii) any Employer Employment Taxes associated with such Residual Option Payments.

“Restricted Business” shall mean owning and operating, directly or indirectly, local television stations.

“Restricted Party” shall mean (i) the Sellers and (ii) each Subsidiary of the Parent for the period that such Subsidiary is directly or indirectly owned by the Parent.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller Fundamental Representations” means the representations and warranties of the Sellers contained in Section 3.01, Section 3.02 and Section 3.03.

“Software” means computer programs, computer applications and code, including source code and object code, and all Intellectual Property therein.

“Stockholder” means any holder of Company Equity Securities.

“Stockholder Interest” means, with respect to any Stockholder, the percentage determined by dividing (a) the sum of (i) the aggregate number of Shares held by such Stockholder as of immediately prior to the Closing (if any), plus (ii) the aggregate number of shares of Company Common Stock issuable in respect of all Company Options outstanding and held by such Stockholder as of immediately prior to the Closing (if any), assuming all such Company Options were exercised in full without regard to vesting or any other restriction upon exercise, by (b) the number of Aggregate Fully-Diluted Shares.

“Straddle Period” means any taxable period beginning on or prior to and ending after the Closing Date.

“Subsidiary” means, with respect to a party hereto, any corporation, partnership, limited liability company or other entity, whether incorporated or unincorporated, of which (a) such party or any other Subsidiary of such party is a managing member or general partner; (b) at least a majority of the securities or other equity interests having by their terms ordinary voting power to elect a majority of the directors or others performing similar functions with respect to such entity is directly or indirectly owned or controlled by such party or by any one or more of such party’s Subsidiaries, or by such party and one or more of its Subsidiaries; or (c) at least a majority of the equity securities or other equity interests is directly or indirectly owned or controlled by such party or by any one or more of such party’s Subsidiaries, or by such party and one or more of its Subsidiaries.

“Tangible Personal Property” means all items of equipment, inventory, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property owned or held for use by the Acquired Companies in connection with the Business, except for any retirements or dispositions thereof made between the date hereof and the Closing in accordance with the terms of this Agreement.

“Target Working Capital Amount” means \$0 (zero dollars).

“Tax” or “Taxes” means any tax of any kind whatsoever, as well as any similar duty, levy, or other governmental charge, in each case, whether disputed or not, and together with any interest, penalty, or addition to tax imposed with respect thereto.

“Taxing Authority” means any Governmental Authority that is responsible for the administration or imposition of any Tax.

“Tax Return” means any return, report or form (including any written elections, claims for refund, declarations, amendments, schedules, information returns and statements, and schedules and attachments thereto) filed or required to be filed with a Taxing Authority with respect to Taxes.

“Transaction Tax Deduction Amount” means the sum of any deductions permitted for U.S. federal income tax purposes to be taken by an Acquired Company as a result (i) of the payment, accrual or incurrence of any Company Transaction Expense or Option Payment (in each case, other than any Residual Option Payment and any Employer Employment Taxes associated therewith and any payment to a Stockholder in respect of any Company Options under Section 8.08 (and Employer Employment Taxes associated therewith)) or (ii) the payment, retirement or discharge of any Indebtedness of the Acquired Companies in connection with the consummation of the transactions contemplated by this Agreement (*e.g.*, any debt breakage fees and any discount or capitalized loan costs, in each case, that are deductible as a result of the payment, retirement or discharge of any such Indebtedness); excluding, for the avoidance of doubt, (x) any expenses that are required to be capitalized under Section 263(a) of the Code or the Regulations promulgated thereunder and (y) any deductions that are disallowed under Section 162(m) or Section 280G of the Code.

“Univision Fee” means an amount equal to \$2,524,252 payable to Univision Stations Corporate Inc. by Bonten Media Group Inc.

SECTION 1.02      Definitions. The following terms have the meanings set forth in the Sections set forth below:

<u>Definition</u>	<u>Location</u>
“ <u>Accounting Fees</u> ” .....	2.06(d)(vi)
“ <u>Agreement</u> ” .....	Preamble
“ <u>Business</u> ” .....	Recitals
“ <u>Closing</u> ” .....	2.03(a)
“ <u>Closing Date</u> ” .....	2.03(a)
“ <u>Closing Date Payment Amount</u> ” .....	2.06(a)
“ <u>Closing Overpayment</u> ” .....	2.06(e)(ii)
“ <u>Closing Underpayment</u> ” .....	2.06(e)(i)
“ <u>Common Stock</u> ” .....	4.02(a)
“ <u>Company</u> ” .....	Preamble
“ <u>Company Financial Statements</u> ” .....	4.06
“ <u>Confidentiality Agreement</u> ” .....	6.04(a)
“ <u>Contest</u> ” .....	8.03(a)
“ <u>Continuing Employee</u> ” .....	7.01(a)
“ <u>Contracting Parties</u> ” .....	12.13(a)
“ <u>Debt Financing</u> ” .....	6.08
“ <u>Disputed Items</u> ” .....	2.06(c)
“ <u>D&amp;O Tail Policy</u> ” .....	6.13(b)

<u>Definition</u>	<u>Location</u>
<u>“Escrow Amount”</u> .....	2.03(d)(ii)
<u>“Escrow Fund”</u> .....	2.03(d)(ii)
<u>“Esteem”</u> .....	Recitals
<u>“Esteem FCC Licenses”</u> .....	Recitals
<u>“Esteem Interests”</u> .....	Recitals
<u>“Esteem Purchase Agreement”</u> .....	Recitals
<u>“Esteem Seller”</u> .....	Recitals
<u>“Esteem Stations”</u> .....	Recitals
<u>“Estimated Basis Shortfall Amount”</u> .....	8.08(a)(i)
<u>“Estimated Closing Cash Amount”</u> .....	2.03(b)
<u>“Estimated Closing Date Payment Amount”</u> .....	2.03(d)
<u>“Estimated Closing Date Working Capital Excess”</u> .....	2.03(b)
<u>“Estimated Closing Date Working Capital Shortfall”</u> .....	2.03(b)
<u>“Estimated Closing Indebtedness Amount”</u> .....	2.03(b)
<u>“Estimated Closing Statement”</u> .....	2.03(b)
<u>“Estimated Company Transaction Expenses”</u> .....	2.03(b)
<u>“Estimated NOL Reduction Amount”</u> .....	8.08(a)(i)
<u>“Estimated Spectrum Adjustment Amount”</u> .....	8.08(b)(i)
<u>“FCC Applications”</u> .....	2.09(a)
<u>“Final Basis Shortfall Amount”</u> .....	8.08(a)(ii)
<u>“Final Release Date”</u> .....	10.07(b)
<u>“Final NOL Reduction Amount”</u> .....	8.08(a)(ii)
<u>“Final Spectrum Adjustment Amount”</u> .....	8.08(b)(ii)
<u>“Final Tax Return”</u> .....	8.08(a)(ii)
<u>“Initial Closing Statement”</u> .....	2.06(a)
<u>“Liquidated Damages Amount”</u> .....	11.04(a)
<u>“Loss”</u> .....	10.02
<u>“Material Contracts”</u> .....	4.20(a)
<u>“Material Customers”</u> .....	4.14(a)
<u>“Material Permits”</u> .....	4.10(b)
<u>“NOL Reduction Amount Worksheet”</u> .....	8.08(a)(i)
<u>“Non-Retained Employees”</u> .....	2.04(h)
<u>“Notice of Acceptance”</u> .....	2.06(c)
<u>“Notice of Disagreement”</u> .....	2.06(c)
<u>“Non-Party Affiliates”</u> .....	12.13(a)
<u>“Outside Date”</u> .....	11.01(a)
<u>“Owned Real Property”</u> .....	4.15(a)
<u>“Parent Contract”</u> .....	6.18
<u>“Parties”</u> .....	Preamble
<u>“Policies”</u> .....	4.11
<u>“Purchase Price”</u> .....	2.02
<u>“Purchaser”</u> .....	Preamble
<u>“Purchaser Indemnified Party”</u> .....	10.02
<u>“Purchaser Related Parties”</u> .....	6.09(a)
<u>“Seller”</u> .....	Preamble



<u>Definition</u>	<u>Location</u>
<u>“Seller Indemnified Party”</u> .....	10.03
<u>“Seller Related Parties”</u> .....	6.09(a)
<u>“Shares”</u> .....	Recitals
<u>“Special Tax Escrow Amount”</u> .....	2.03(d)(iii)
<u>“Special Tax Escrow Fund”</u> .....	2.03(d)(iii)
<u>“Spectrum Adjustment Amount Worksheet”</u> .....	8.08(b)(i)
<u>“Stations”</u> .....	Recitals
<u>“Surveys”</u> .....	6.11
<u>“Takeover Proposal”</u> .....	6.16
<u>“Tax Reserve Amount”</u> .....	10.07(b)
<u>“Third Party Claim”</u> .....	10.05(b)
<u>“Title Commitments”</u> .....	6.11
<u>“Variable Inputs”</u> .....	8.08(a)(i)

### SECTION 1.03      Interpretation and Rules of Construction.

(a) In this Agreement, except to the extent otherwise provided or that the context otherwise requires:

(i) when a reference is made in this Agreement to an Article, Section, Exhibit, the Disclosure Schedule or the Purchaser Disclosure Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated;

(ii) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(iii) whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation”;

(iv) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement; the term “as of the date hereof,” when used in this Agreement, means as of the date of this Agreement;

(v) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(vi) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms;

(vii) references to a Person are also to its successors and permitted assigns; provided, however that nothing contained in this clause (vii) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(viii) references to sums of money are expressed in lawful currency of the United States of America, and “\$” refers to U.S. dollars;

(ix) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the immediately following Business Day;

(x) references to “day” or “days” are to calendar days;

(xi) the use of “or” is not intended to be exclusive unless expressly indicated otherwise;

(xii) “writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form;

(xiii) references to any Contract are to that Contract as amended, modified or supplemented from time to time in accordance with the terms thereof; and

(xiv) references to any Law or license defined or referred to herein or in any agreement or instrument that is referred to herein mean such Law or license as from time to time amended, modified or supplemented, including by succession of comparable successor Laws or licenses, and to any rules or regulations promulgated thereunder.

(b) The Parties have participated jointly in the negotiation and drafting of this Agreement and each has been represented by counsel of its choosing and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

## **ARTICLE II PURCHASE AND SALE**

SECTION 2.01 Purchase and Sale of the Shares. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Sellers shall sell to the Purchaser, and the Purchaser shall purchase from the Sellers, the Shares.

SECTION 2.02 Purchase Price and Incentive Auction Proceeds. Subject to the adjustments set forth in Section 2.06, the aggregate purchase price for the Shares (the “Purchase Price”) shall be an amount equal to \$240,000,000 minus the Esteem Purchase Price (as defined in the Esteem Purchase Agreement).

SECTION 2.03 Closing.

(a) Subject to the terms and conditions of this Agreement, the sale and purchase of the Shares contemplated by this Agreement shall take place at a closing (the “Closing”) to be held at the offices of Shearman & Sterling LLP, 599 Lexington Avenue, New

York, New York at 10:00 A.M. EST on the third Business Day following the satisfaction or waiver of the conditions to the obligations of the Parties set forth in Article IX (other than those conditions that, by their terms, are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions) or at such other place or at such other time or on such other date as the Parent and the Purchaser may mutually agree upon in writing (the day on which the Closing takes place being the “Closing Date”).

(b) No later than five Business Days prior to the scheduled Closing Date, the Company shall deliver to the Purchaser, together with reasonably detailed supporting information, a written statement (the “Estimated Closing Statement”) that sets forth the Company’s good faith estimate, applying the Accounting Principles, of (i) the Closing Indebtedness Amount (the “Estimated Closing Indebtedness Amount”), (ii) the Closing Cash Amount (the “Estimated Closing Cash Amount”), (iii) the amount of the Company Transaction Expenses (the “Estimated Company Transaction Expenses”), (iv) the Closing Date Working Capital Amount and either the resulting Closing Date Working Capital Excess (the “Estimated Closing Date Working Capital Excess”) or Closing Date Working Capital Shortfall (the “Estimated Closing Date Working Capital Shortfall”), as the case may be, (v) the Estimated Purchase Price, (vi) the Per Share Payment and the Aggregate Option Payment, and (vii) the Estimated Closing Date Payment Amount.

(c) At the Closing, the Company shall deliver, or cause to be delivered to the Option Holders, the Aggregate Option Payment to be distributed to the Option Holders pursuant to Section 2.07, net of applicable withholdings.

(d) Estimated Closing Payments. At the Closing, the Purchaser shall pay an aggregate amount (the “Estimated Closing Date Payment Amount”) as follows:

(i) to each Seller, an amount equal to the product of (A) the Estimated Purchase Price less the Escrow Amount less the Special Tax Escrow Amount less the Aggregate Option Payment multiplied by (B) such Seller’s respective Percentage Interest.

(ii) to the Escrow Agent, \$18,000,000 (the “Escrow Amount”) in immediately available funds by wire transfer, which amount shall be deposited into an escrow fund (the “Escrow Fund”) available to compensate the Purchaser for any amounts due to it under (A) the indemnification provisions of this Agreement, and (B) the purchase price adjustment provisions of Section 2.06, in each case on the terms and subject to the conditions set forth in this Agreement and the Escrow Agreement.

(iii) to the Escrow Agent, \$1,000,000 (the “Special Tax Escrow Amount”) in immediately available funds by wire transfer, which amount shall be deposited into an escrow fund (the “Special Tax Escrow Fund”) available to compensate the Purchaser for any amounts due to it under Section 8.08 on the terms and subject to the conditions set forth in this Agreement and the Escrow Agreement.

(iv) to the Company, an amount equal to the Aggregate Option Payment.

SECTION 2.04 Closing Deliveries by the Sellers. At the Closing, the Parent, on behalf of the Sellers, shall deliver or cause to be delivered to the Purchaser:

- (a) evidence of the transfer, reasonably satisfactory to the Purchaser, of the Shares to the Purchaser;
- (b) a duly executed counterpart to the Escrow Agreement;
- (c) executed copies of the Payoff Letters;
- (d) a good standing certificate issued by the Secretary of State of the Parent's and each Acquired Company's jurisdiction of formation;
- (e) copies of the Governing Documents of the Acquired Companies, as amended and restated at the request of the Purchaser in the forms provided by the Purchaser and certified as of a recent date by the Secretary of State of the applicable jurisdiction of organization;
- (f) a certificate of an officer of the Company, given by such officer on behalf of the Company and not in such officer's individual capacity, certifying as to the Governing Documents of the Acquired Companies and as to resolutions of the board of directors (or equivalent governing body) of the Company authorizing this Agreement and the transactions contemplated hereby and thereby;
- (g) duly executed resignation letters of each officer and director of the Acquired Companies;
- (h) evidence and documentation reasonably satisfactory to the Purchaser that the termination of specified Company Plans has occurred in accordance with Section 7.01(d);
- (i) evidence that the Business Employees and Esteem Employees listed on Section 2.04(i) of the Disclosure Schedule (collectively, the "Non-Retained Employees") have been terminated, which evidence shall include duly executed releases from each Non-Retained Employee in a form reasonably acceptable to the Purchaser;
- (j) an option cancellation agreement providing for the cancellation and release of all Company Options, in a form reasonably acceptable to the Seller and the Purchaser, from each and every holder of an in-the-money Company Option;
- (k) with respect to each Seller, a certification of non-foreign status, dated as of the Closing Date, that complies with the requirements of Section 1.1445-2(b)(2) of the Regulations, is signed by such Seller, and is in form and substance reasonably satisfactory to the Purchaser;
- (l) a certificate of a duly authorized officer of the Parent certifying as to the matters set forth in Section 9.03(a);

(m) a certificate of the Management Seller certifying as to the matters set forth in Section 9.03(a);

(n) a certificate of a duly authorized officer of the Company certifying as to the matters set forth in Section 9.03(b); and

(o) all such other documents, agreements, instruments, writings and certificates as the Purchaser may reasonably request as are necessary for the Company and the Sellers to satisfy their obligations hereunder.

SECTION 2.05 Closing Deliveries by the Purchaser.

(a) At the Closing, the Purchaser shall deliver on behalf of the Sellers:

(i) the applicable amount of the Estimated Closing Indebtedness Amount (including any Indebtedness of the Acquired Esteem Companies) to the payees thereof in the amounts set forth in each Payoff Letter delivered by the Parent to the Purchaser pursuant to Section 2.04(c) by wire transfer of immediately available funds to the account or accounts designated in writing by the Parent at least two Business Days prior to the Closing Date; provided, that the payment of the Indebtedness of the Acquired Esteem Companies shall be deemed to occur immediately prior to the Closing under the Esteem Purchase Agreement; and

(ii) the amount of the Estimated Company Transaction Expenses to the payees thereof in the amounts set forth in the Estimated Closing Statement and included in each Payoff Letter delivered by the Parent to the Purchaser pursuant to Section 2.04(c) by wire transfer of immediately available funds to the account or accounts designated in writing by the Parent at least two Business Days prior to the Closing Date.

(b) At the Closing, the Purchaser shall deliver or cause to be delivered to the Parent:

(i) a duly executed counterpart to the Escrow Agreement;

(ii) a certificate of a duly authorized officer of the Purchaser certifying as to the matters set forth in Section 9.02(a); and

(iii) all such other documents, agreements, instruments, writings and certificates as the Sellers may reasonably request as are necessary for the Purchaser to satisfy its obligations hereunder.

(c) At the Closing, the Purchaser shall pay or cause to be paid:

(i) to each Seller, an amount, calculated in accordance with Section 2.03(d)(i), in immediately available funds by wire transfer to such Seller's respective Purchase Price Bank Account(s); and

(ii) to the Escrow Agent, the Escrow Amount and Special Tax Escrow Amount as set forth in Section 2.03(d)(ii) and Section 2.03(d)(iii), respectively.

SECTION 2.06 Post-Closing Adjustment of Purchase Price.

(a) As soon as reasonably practical after the Closing, but in no event later than 120 days after the Closing Date, the Purchaser shall prepare and deliver to the Parent a statement prepared in good faith and in accordance with the Accounting Principles (without any change to the accounting methods, policies, procedures, classifications, judgments or estimates including policies with respect to reserves), together with reasonably detailed supporting information (the “Initial Closing Statement”), setting forth the Purchaser’s determination of (i) the Closing Indebtedness Amount, (ii) the Closing Cash Amount, (iii) the Company Transaction Expenses, (iv) the Closing Date Working Capital Amount and either the resulting Closing Date Working Capital Excess or Closing Date Working Capital Shortfall, as the case may be, (v) the Per Share Payment, (vi) the Estimated Purchase Price (without taking into account any changes to the Estimated Spectrum Adjustment Amount or Estimated NOL Reduction Amount, as applicable, or the Estimated Basis Shortfall Amount) and (vii) the amount of the Closing Date payments (the “Closing Date Payment Amount”) calculated and payable in accordance with Section 2.03(d) (it being understood that the Initial Closing Statement shall (A) use the Purchaser’s proposed, good faith calculations of the Closing Indebtedness Amount, the Closing Cash Amount, the Company Transaction Expenses, the Closing Date Working Capital Excess or Closing Date Working Capital Shortfall, as applicable, instead of the estimated amounts for each such item used by the Parent in the Estimated Closing Statement, (B) provide the Purchaser’s own recalculation of the Estimated Purchase Price substituting, where applicable, the Purchaser’s good faith calculations made pursuant to the preceding clause (A).

(b) Throughout the period following the Closing Date until the determination of the Final Closing Statement, the Purchaser and the Acquired Companies shall permit the Parent and its Representatives reasonable access (with the right to make copies), during normal business hours upon reasonable advance notice, to the relevant financial books and records of the Purchaser and the Acquired Companies solely for the purposes of the review and objection right contemplated herein, together with reasonable access to the individuals responsible for the preparation of the Initial Closing Statement in order to respond to the inquiries of the Parent and its Representatives related thereto.

(c) The Parent shall deliver to the Purchaser by the Objection Deadline Date either a notice indicating that the Parent accepts the Initial Closing Statement (the “Notice of Acceptance”) or a detailed statement describing each of the Parent’s objections to the Initial Closing Statement (the “Notice of Disagreement”). If the Parent timely delivers a Notice of Disagreement, only those matters specified in such Notice of Disagreement shall be deemed to be in dispute (such matters, the “Disputed Items”) and all such Disputed Items shall be based only on (i) mathematical or clerical errors or (ii) that the calculation of the amounts included in the Initial Closing Statement were not determined in accordance with the Accounting Principles. The Notice of Disagreement shall specify what the Parent reasonably believes is the correct amount for each Disputed Item. Any component of the calculations set forth in the Initial Closing Statement that is not the subject of a timely delivered Notice of Disagreement by the Parent shall be final and binding upon the Parties, unless the resolution of any Disputed Item

affects an undisputed component of the Initial Closing Statement, in which case such undisputed component shall, notwithstanding the failure to object to such component in the Notice of Disagreement, be considered a “Disputed Item” to the extent affected by the resolution of such Disputed Item. The Purchaser and the Parent shall, within three Business Days after delivery of the Notice of Disagreement, deliver to the Escrow Agent irrevocable instructions giving effect to any payments or releases provided for by Section 2.06(e) in accordance with the terms of the Escrow Agreement, solely to the extent to which the Parent has agreed with the Purchaser’s calculations set forth in the Initial Closing Statement.

(d) The Disputed Items shall be resolved as follows:

(i) The Parent and the Purchaser shall first use their reasonable efforts to resolve such Disputed Items.

(ii) Any resolution by the Parent and the Purchaser as to such Disputed Items shall be final and binding upon the Parties.

(iii) If the Parent and the Purchaser do not reach a resolution of all Disputed Items within 30 days after delivery of the Notice of Disagreement, the Parent and the Purchaser shall, within 15 days following the expiration of such 30-day period, engage the Neutral Accountant to resolve any Disputed Items. If one or more Disputed Items are submitted to the Neutral Accountant for resolution, the Parent and the Purchaser shall enter into a customary engagement letter, and, to the extent necessary, each Party shall waive and cause its Affiliates to waive any then-existing conflicts with the Neutral Accountant and shall reasonably cooperate with the Neutral Accountant in connection with its determination pursuant to this Section 2.06. Within 15 Business Days after the Neutral Accountant has been retained, each of the Parent and the Purchaser shall furnish, at its own expense, to the Neutral Accountant and the other Party a written statement of its positions with respect to each Disputed Item. Within 10 Business Days after the expiration of such 15 Business Day period, each such Party may deliver to the Neutral Accountant and to each other its response to the other’s position on each Disputed Item. With each submission, each Party shall furnish to the Neutral Accountant such information and documents as may be requested by the Neutral Accountant and may also furnish to the Neutral Accountant such other information and documents as such Party deems relevant, in each case with copies being given to the other such Party substantially simultaneously. The Neutral Accountant shall, at its discretion or at the written request of the Parent and the Purchaser, conduct a conference concerning the Disputed Items and the Parent or the Purchaser shall have the right to present additional documents, materials and other information and to have its Representatives present at such conference. No Party or its Representatives shall be permitted to engage in any ex-parte communications (whether written or oral) with the Neutral Accountant.

(iv) The Neutral Accountant shall be instructed to resolve only the Disputed Items and shall be instructed not to investigate any other matter independently. In resolving any Disputed Item, the Neutral Accountant may not assign a greater or lesser value to any Disputed Item than that assigned to such Disputed Item by the Purchaser or the Parent in the Initial Closing Statement or the Notice of Disagreement, as applicable.



The Parent and the Purchaser shall request that the Neutral Accountant (A) make a final determination of all the Disputed Items within 40 Business Days from the date the Disputed Items were submitted to the Neutral Accountant and (B) provide a reasonably detailed basis for its determination in respect of each Disputed Item.

(v) The resolution by the Neutral Accountant of the Disputed Items, absent fraud, intentional misconduct or manifest error, shall be final and binding upon the Parties. The Parties agree that the procedures set forth in this Section 2.06(d) for resolving disputes with respect to the Initial Closing Statement and the Closing Date Working Capital Amount shall be the sole and exclusive method for resolving any such disputes.

(vi) The fees and expenses of the Neutral Accountant incurred pursuant to this Section 2.06(d) (the “Accounting Fees”) shall be allocated between the Purchaser, on the one hand, and the Parent, on the other hand, as follows: a portion of the aggregate Accounting Fees equal to the product of the aggregate Accounting Fees and a fraction, the numerator of which is the aggregate dollar amount of the Disputed Items resolved by the Neutral Accountant in favor of the Purchaser and the denominator of which is the aggregate dollar amount of all Disputed Items submitted to the Neutral Accountants for resolution, shall be allocated to the Parent, and the remainder shall be allocated to the Purchaser (in each case as finally determined by the Neutral Accountant).

(vii) The Neutral Accountant shall act as an expert, not as an arbitrator, in resolving such Disputed Items. The proceeding before the Neutral Accountant shall be an expert determination under applicable Laws governing expert determination and appraisal proceedings.

(e) The Initial Closing Statement, including any modifications resulting from the resolution pursuant to Section 2.06(d) of any Disputed Items set forth in the Notice of Disagreement, shall be deemed to be the Final Closing Statement and be final and binding upon the Parties for the purposes of this Agreement upon the earliest to occur of (i) the delivery by the Parent of the Notice of Acceptance or the failure of the Parent to deliver the Notice of Disagreement by the Objection Deadline Date; (ii) the resolution of all Disputed Items by the Parent and the Purchaser pursuant to Section 2.06(d)(ii); and (iii) the resolution of all Disputed Items pursuant to Section 2.06(d)(iv) by the Neutral Accountant. Within five Business Days after the Final Closing Statement becomes or is deemed to be final and binding upon the Parties, an adjustment to the Estimated Closing Date Payment Amount and a payment by wire transfer of immediately available funds in respect thereof shall be made as follows:

(i) If the Closing Date Payment Amount, as finally determined in accordance with the foregoing provisions of this Section 2.06, exceeds the Estimated Closing Date Payment Amount (such difference, the “Closing Underpayment”), the Purchaser shall pay to each Stockholder (in immediately available funds by wire transfer to a bank account designated in writing by each such Stockholder) an amount equal to such Person’s Stockholder Interest in the Closing Underpayment.



(ii) If the Closing Date Payment Amount, as finally determined in accordance with the foregoing provisions of this Section 2.06, is less than the Estimated Closing Date Payment Amount (such difference, the “Closing Overpayment”), the Parent shall pay to the Purchaser an amount equal to such Closing Overpayment to a bank account designated in writing by the Purchaser (in immediately available funds by wire transfer to a bank account designated in writing by the Purchaser). Such payment shall be made pursuant to the Escrow Agreement out of the Escrow Fund to the extent of the amount therein. The Purchaser and the Parent shall, within three Business Days after the final determination of the Final Closing Statement, deliver to the Escrow Agent irrevocable instructions giving effect to any payment provided for by this Section 2.06(e) in accordance with the terms of the Escrow Agreement. The Purchaser agrees that its sole recourse in respect of any amount payable pursuant to this Section 2.06(e) shall be the right to seek payment from the Escrow Fund in accordance with the terms of this Agreement and the Escrow Agreement, and the Purchaser shall have no right to seek payment directly from the Stockholders in respect of any such amount.

(iii) For the avoidance of doubt, if the Closing Date Payment Amount, as finally determined in accordance with the foregoing provisions of this Section 2.06, is equal to the Estimated Closing Date Payment Amount, no payment shall be made by any Party.

(f) No amount with respect to a matter shall be included more than once in the calculation of the Closing Date Working Capital Amount.

#### SECTION 2.07 Treatment and Payment of Company Options.

(a) At the Closing, each in-the-money Company Option that is outstanding and unexercised immediately prior to the Closing, without regard to the extent then vested or exercisable, shall be converted into the right to receive the Option Payment and, if any, the Residual Option Payment in accordance with the terms of this Agreement, in each case net of applicable withholdings.

(b) At the Closing, the Company shall pay to each holder of an in-the-money Company Option an amount equal to the Option Payment with respect to each such Company Option, net of applicable withholdings.

(c) Notwithstanding anything in this Agreement or the Escrow Agreement to the contrary, any payments that would go to a Stockholder in respect of any Company Options in connection with Section 2.06(e) or Section 8.08 and any Residual Option Payment shall be paid to the Company for payment to such Stockholder, net of applicable withholdings, in connection with the next regularly scheduled payroll.

(d) As of the Closing, all Company Options shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of any Company Option shall cease to have any rights with respect thereto, except as otherwise provided for herein or by applicable Law.

SECTION 2.08      Residual Payments. Subject to Section 2.07(c), from and after the Closing Date, to the extent any amount of the Escrow Fund or Special Tax Escrow Fund is released from escrow pursuant to Article X of this Agreement and the Escrow Agreement and distributed by the Escrow Agent to the Parent, the Parent shall distribute such funds promptly to the Stockholders in accordance with their Stockholder Interests. If any payments pursuant to this Section 2.08 will include Residual Option Payments being made after payments provided for in Section 2.06(e), then the Purchaser and the Parent shall cooperate to determine the amount of Employer Employment Taxes associated with such Residual Option Payments and the amount otherwise payable to the Stockholders will be reduced by such amount, which amount will be paid by the Escrow Agent to the Purchaser.

SECTION 2.09      Governmental Consents.

(a) Within fifteen Business Days of the date of this Agreement, the Purchaser and the Sellers shall, and the Sellers shall cause the Acquired Companies to, jointly file an application or applications with the FCC requesting the grant of its consent to the transfer of control of the Acquired Companies from the Sellers to the Purchaser (collectively, the “FCC Applications”). To the extent applicable, the Purchaser shall include in the FCC Applications an exhibit requesting that the FCC grant continued satellite status for the Stations currently operating as satellite stations under FCC rules. The Purchaser and the Sellers shall, and the Sellers shall cause the Acquired Companies to, diligently prosecute the FCC Applications and otherwise use commercially reasonable efforts to obtain the FCC Consent as soon as practicable; provided, however, that except as provided in the following sentence, neither the Purchaser nor the Sellers, as applicable, shall be required to pay consideration to any third party to obtain the FCC Consent. The Purchaser shall pay one-half (1/2) and Sellers shall pay one-half (1/2) of the FCC filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated. The Sellers and the Purchaser each shall oppose any petitions to deny or other objections filed with respect to the FCC Applications to the extent such petition or objection relates to such Party; provided, that each Party shall consult in good faith with each other Party regarding the content of any filing opposing such petition or objection. Neither the Purchaser nor the Sellers shall, and the Sellers shall cause the Acquired Companies not to, take any intentional action which would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the grant of the FCC Consent.

(b) Each Party agrees to make promptly its respective filing, if necessary, pursuant to the HSR Act with respect to the transactions contemplated by this Agreement within fifteen Business Days of the date hereof and to supply as promptly as practicable to the appropriate Governmental Authorities any additional information and documentary material that may be requested pursuant to the HSR Act. Any filing fees payable under the HSR Act relating to the transactions contemplated hereby shall be borne one-half (1/2) by Purchaser and one-half (1/2) by Sellers.

(c) The Purchaser acknowledges that, to the extent reasonably necessary to expedite and/or facilitate granting of the FCC Application with respect to such Station, the Acquired Companies shall be permitted to enter into tolling, assignment and assumption or similar agreements with the FCC to extend the statute of limitations for the FCC to determine or

impose a forfeiture penalty against such Station in connection with (i) any pending complaints that such Station aired programming that contained obscene, indecent or profane material or (ii) any other enforcement matters against such Station with respect to which the FCC may permit the Acquired Companies to enter into a tolling, assignment or assumption agreement; provided, however, that the Purchaser will agree with the FCC to accept liability in connection with any such complaint or enforcement action by the FCC, if and in the manner so requested by the FCC as part of such tolling or other arrangements, subject to the indemnification obligations set forth in Section 10.02. The Purchaser and the Sellers shall consult in good faith with each other prior to any Acquired Company entering into any such tolling, assignment or assumption agreement under this Section 2.09(c).

(d) The Purchaser agrees to take all such commercially reasonable actions that are necessary or advisable or as may be required by any Governmental Authority to expeditiously consummate the transactions contemplated by this Agreement, including the actions set forth on Section 2.09(d) of the Disclosure Schedule (such actions, a “Station Assignment”). Notwithstanding the foregoing, except as set forth in Section 2.09(d) of the Disclosure Schedule, nothing in this Section 2.09 shall require, or be construed to require, Purchaser or any of its Affiliates to agree to: (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of the Purchaser or any of its Affiliates; or (ii) agree to any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to materially and adversely impact the Purchaser’s business or the economic or business benefits to the Purchaser of the transactions contemplated by the Agreement. In the event any Action by any Governmental Authority or other Person is commenced, under antitrust Laws or otherwise, that questions the validity or legality of the transactions contemplated hereby or seeks damages in connection therewith, the Parties will cooperate and use commercially reasonable efforts to defend against such Action and, if a Governmental Order is issued in any such Action, will use commercially reasonable efforts to have such Governmental Order lifted, and will use commercially reasonable efforts to cooperate regarding the removal or elimination of any other impediment to the consummation of the transactions contemplated hereby.

(e) Each Party shall keep each other Party apprised of the content and status of any communications with, and communications from, any Governmental Authority with respect to the transaction contemplated hereby, including promptly notifying the other Party of any communication it or any of its Affiliates receives from any Governmental Authority relating to any review or investigation of the transaction contemplated hereby under the HSR Act or any other applicable non-United States antitrust Laws or Communications Laws and shall permit the other Party to review in advance (and to consider any comments made by the other Party in relation to) any proposed communication by such party to any Governmental Authority relating to such matters. Neither Party shall agree to participate in any substantive meeting, telephone call or discussion with any Governmental Authority in respect of any filings, investigation or other inquiry unless it consults with the other Party in advance and, to the extent permitted by such Governmental Authority, gives the other Party the opportunity to attend and participate at such meeting, telephone call or discussion. Subject to the Confidentiality Agreement, the Parties will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as each other Party may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods including under the

HSR Act or Communications Laws. Subject to the Confidentiality Agreement, the Parties shall provide each other with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement; provided, however, that materials may be redacted (i) to remove references concerning the valuation of the Business, (ii) as necessary to comply with contractual arrangements, and (iii) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns.

(f) The Purchaser shall not, and shall cause its Affiliates not to, enter into any transaction or series of related transactions (including any merger, acquisition, tender or exchange offer, disposition, transfer, investment, assignment, license, recapitalization, issuance of capital stock or purchase or sale of capital stock or assets, or similar transaction) (an “Alternative Transaction”), or any Contract or any letter of intent, agreement in principle, option agreement or other similar agreement to effect any such Alternative Transaction, relating to or involving any local television stations in the Markets in which the Stations operate (a “Local Station Purchase”), that could reasonably be expected to make it materially less likely, or to materially increase the time required, to (i) obtain the expiration or termination of the waiting period under the HSR Act, or any other applicable antitrust, competition, or trade regulation Law, applicable to the transaction contemplated hereby or (ii) obtain the FCC Consent, unless the Purchaser commits to the Sellers, in respect of any such Local Station Purchase, to seek to remove any impediment that would result from such Alternative Transaction or Local Station Purchase under the FCC ownership rules by making a Station Assignment that would not otherwise materially impede or delay the receipt of the FCC Consent.

(g) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and no Party shall have terminated this Agreement under Section 11.01, the Purchaser and the Sellers shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the rights of any Party to exercise its rights under Section 11.01.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

Each Seller hereby severally represents and warrants, solely with respect to such Seller and the Shares held by such Seller as follows:

##### **SECTION 3.01      Organization, Authority and Qualification of the Parent.**

The Parent is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to enter into this Agreement and the Escrow Agreement, to carry out its respective obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The Parent is duly licensed or qualified to do business and is in good standing (to the extent such concepts are recognized under applicable Law) in each jurisdiction which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not materially and adversely affect the ability of the Parent to carry out its obligations under, and to consummate

the transactions contemplated by, this Agreement and the Escrow Agreement. The execution and delivery of this Agreement and the Escrow Agreement by the Parent, the performance by the Parent of its obligations hereunder and thereunder and the consummation by the Parent of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of the Parent. This Agreement has been, and upon its execution the Escrow Agreement, shall have been, duly executed and delivered by the Parent, and (assuming due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and upon its execution the Escrow Agreement shall constitute, legal, valid and binding obligations of the Parent, enforceable against the Parent in accordance with their respective terms, subject to the Enforceability Exceptions.

SECTION 3.02      Authority of Management Seller. The Management Seller has the necessary legal capacity to enter into this Agreement, to carry out his obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Management Seller, and (assuming due authorization, execution and delivery by the other Parties hereto) this Agreement constitutes the legal, valid and binding obligation of the Management Seller, enforceable against the Management Seller in accordance with its respective terms, subject to the Enforceability Exceptions.

SECTION 3.03      Ownership of Shares. Each Seller owns, of record and beneficially, the number of Shares set forth opposite their respective name in Section 3.03 of the Disclosure Schedule free and clear of all Encumbrances (other than Permitted Encumbrances). There are no voting trusts, irrevocable proxies or other Contracts to which either Seller is a party or is bound with respect to the voting or consent of any of the Shares.

SECTION 3.04      No Conflict. Assuming compliance with the pre-merger notification and waiting period requirements of the HSR Act and the making and obtaining of all filings, notifications, consents, approvals, authorizations and other actions referred to in Section 3.05, and except as may result from any facts or circumstances relating to the Purchaser or its Affiliates, the execution, delivery and performance of this Agreement by the Sellers and the Escrow Agreement by the Parent does not and will not (a) violate, conflict with, or result in the breach of any provision of any applicable Governing Documents of such Seller, (b) violate any Law or Governmental Order applicable to such Seller or (c) violate, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, acceleration or cancellation of, any Contract to which such Seller is a party except, in the case of clauses (b) and (c), as would not materially and adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and, in the case of the Parent, the Escrow Agreement.

SECTION 3.05      Governmental Consents and Approvals. The execution, delivery and performance of this Agreement and the Escrow Agreement by each Seller does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except (a) as described in Section 3.05 of the Disclosure Schedule, (b) the pre-merger notification and waiting period requirements of the HSR Act, (c) the FCC Consent, (d) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not materially and adversely affect or



materially delay the consummation by such Seller of the transactions contemplated by this Agreement and the Escrow Agreement, or (e) as may be necessary as a result of any facts or circumstances relating to the Purchaser or any of its Affiliates.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to the Purchaser as of the date hereof, subject to such exceptions as are disclosed in the Disclosure Schedule, as follows:

##### **SECTION 4.01      Organization, Authority and Qualification of the Company.**

The Company is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The Company is duly licensed or qualified to do business and is in good standing (to the extent such concepts are recognized under applicable Law) in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations hereunder and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Company. This Agreement has been, duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by the Parties hereto) this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms, subject to the Enforceability Exceptions.

##### **SECTION 4.02      Capitalization.**

(a) The authorized capital stock of the Company consists of 200,000 shares of common stock, \$0.005 par value per share (the “Common Stock”). 129,175 shares of Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive rights. The Shares constitute all of the issued and outstanding capital stock of the Company.

(b) Other than 5,149 outstanding Company Options as of the date hereof, there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments relating to the Shares or obligating either the Sellers or the Company to issue or sell any shares of Common Stock, or any other equity interest in, the Company. The Company is not party to any stockholders’ agreement, voting trust agreement or registration rights agreement relating to any equity interests of the Company or any other Contract relating to disposition, voting or dividends with respect to any equity interests of the Company.

##### **SECTION 4.03      Acquired Subsidiaries.**

(a) Each Acquired Subsidiary has all necessary power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. Each Acquired Subsidiary is duly licensed or

qualified to do business and is in good standing (to the extent such concepts are recognized under applicable Law) in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect.

(b) Section 4.03(b) of the Disclosure Schedule sets forth, for each Acquired Subsidiary (i) its jurisdiction of formation, (ii) the number and type of issued equity interests, and (iii) the holders of such equity interests. All equity interests in each Acquired Subsidiary that are owned, directly or indirectly, by the Company are free and clear of all Encumbrances (other than Permitted Encumbrances), have been duly authorized and validly issued, and none of such equity interests have been issued in violation of any preemptive rights. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments relating to the equity interest in any Acquired Subsidiary or obligating the Sellers, the Company or any Acquired Subsidiary to issue or sell any equity interest in any of the Acquired Subsidiaries. None of the Acquired Subsidiaries is a party to any shareholders' agreement, voting trust agreement or registration rights agreement relating to any equity interests of such Acquired Subsidiary or any other Contract relating to disposition, voting or dividends with respect to any equity interests of such Acquired Subsidiary.

(c) Other than the Acquired Subsidiaries, there are no other corporations, partnerships, joint ventures, associations or other entities in which the Company or any Acquired Subsidiary owns, of record or beneficially, any direct or indirect equity interest or any right (contingent or otherwise) to acquire the same. Other than the Acquired Subsidiaries, neither the Company nor any of the Acquired Subsidiaries is a member of (nor is any part of the Business conducted through) any partnership nor is the Company or any of the Acquired Subsidiaries a participant in any joint venture or similar arrangement.

SECTION 4.04 No Conflict. Except as otherwise set forth in Section 4.04 of the Disclosure Schedule, assuming compliance with the pre-merger notification and waiting period requirements of the HSR Act, the obtaining of the FCC Consent and the making and obtaining of all filings, notifications, consents, approvals, authorizations and other actions referred to in Section 4.05, and except as may result from any facts or circumstances relating to the Purchaser or its Affiliates, the execution, delivery and performance of this Agreement by the Company does not and will not (a) violate, conflict with, or result in the breach of any provision of the Governing Documents of any Acquired Company, (b) violate in any material respect any Law or Governmental Order applicable to any Acquired Company or (c) violate in any material respect, result in any material breach of, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, require any consent under, or give to others any rights of termination, acceleration or cancellation of, any Material Contract.

SECTION 4.05 Governmental Consents and Approvals. The execution, delivery and performance of this Agreement by the Company does not and will not require any material consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except (a) as described in Section 4.05 of the Disclosure Schedule, (b) the pre-merger notification and waiting period requirements of the HSR Act, (c)

the FCC Consent, or (d) as may be necessary as a result of any facts or circumstances relating solely to the Purchaser or any of its Affiliates.

SECTION 4.06      Financial Information. The Company has made available to the Purchaser prior to the date of this Agreement true and complete copies of the (i) consolidated audited balance sheet of the Company and its Subsidiaries for the fiscal years ended as of December 31, 2016 and December 31, 2015 and the related consolidated audited statements of comprehensive income, changes in stockholder's deficit and cash flows of the Company for the years then ended and (ii) the unaudited consolidated balance sheet of the Company and its Subsidiaries as at February 28, 2017 and the related consolidated unaudited statements of comprehensive income and cash flows of the Company and its Subsidiaries for the two-month period then ended (such audited and unaudited statements, the "Company Financial Statements"). Except as set forth in Section 4.06 of the Disclosure Schedule, the Company Financial Statements (i) present fairly, in all material respects, the financial position of the Company and its Subsidiaries, and the results of their operations and their cash flows, as of the dates thereof or for the periods covered thereby, and (ii) were prepared in accordance with the Accounting Principles applied on a basis consistent throughout the periods covered thereby, subject to normal year end audit adjustments; provided, however, that the unaudited Company Financial Statements are subject to normal recurring year-end adjustments (which are not material, individually or in the aggregate) and do not include footnotes.

SECTION 4.07      Absence of Undisclosed Material Liabilities. Except as set forth in Section 4.07 of the Disclosure Schedule, as of the date hereof, the Acquired Companies do not have any material Liabilities of a nature required to be reflected on a balance sheet prepared in accordance with GAAP, other than Liabilities (i) reflected or reserved against on the Company Financial Statements (including the notes thereto), (ii) set forth in the Disclosure Schedule, or (iii) incurred since December 31, 2016 in the ordinary course of business of the Company or reflected on the Estimated Closing Statement.

SECTION 4.08      Conduct in the Ordinary Course. Since December 31, 2016 and through the date hereof (a) there has not occurred any Material Adverse Effect, (b) the Acquired Companies have conducted the Business in all material respects in the ordinary course of business and (c) except as set forth on Section 4.08 of the Disclosure Schedule, the Company has not taken any action that, if taken after the date hereof, would require the Purchaser's consent pursuant to Section 6.01.

SECTION 4.09      Litigation. Except as set forth on Section 4.09 of the Disclosure Schedule, as of the date hereof, there is no Action by or against any of the Acquired Companies pending, or, to the Company's Knowledge, threatened in writing, before any Governmental Authority, including any Action that would prevent or materially delay the consummation by the Acquired Companies of the transactions contemplated by this Agreement. No Acquired Company is subject to any Governmental Order that would reasonably be expected to be material to any Station, other than Governmental Orders that would be generally applicable to Persons in the industry in which the Acquired Companies operate.

SECTION 4.10      Compliance with Laws; Permits.



(a) The Acquired Companies have conducted within the prior two year period and continue to conduct the business of the Acquired Companies in accordance with all Laws and Governmental Orders applicable to the Acquired Companies, in each case, in all material respects, and none of the Acquired Companies is in material violation of any such Law or Governmental Order.

(b) Section 4.10(b) of the Disclosure Schedule sets forth each Permit that is material to the operation of the Business as it is conducted as of the date hereof (collectively, the “Material Permits”). The Acquired Companies hold all Material Permits, including all material Environmental Permits, necessary for the operation of the Business as it is conducted as of the date hereof. As of the date of this Agreement, to the Company’s Knowledge, (i) all Material Permits held by the Acquired Companies are valid and in full force and effect, and (ii) none of the Acquired Companies has failed to comply in any material respect with, or is in default in any material respect under, any material term, condition or provision of any Material Permit held by such Acquired Company.

SECTION 4.11 Insurance. Section 4.11 of the Disclosure Schedule sets forth all material insurance policies (including general liability insurance, property insurance and workers’ compensation insurance) and fidelity bonds covering the Acquired Companies and the Stations (the “Policies”) and the premiums and summary of coverage for each such Policy. No Acquired Company is in material default with respect to the Policies, and no Acquired Company has received any written notice of a cancellation with respect to any of the Policies. There are no pending material claims by any Acquired Company under any of the Policies. As of the date of this Agreement, all such Policies are in full force and effect and, except as set forth on Section 4.11 of the Disclosure Schedule, will continue in full force and effect with respect to the Business until the Closing.

SECTION 4.12 Environmental Matters.

(a) The Acquired Companies are in compliance in all material respects with all applicable Environmental Laws and have obtained and are in compliance in all material respects with all applicable Environmental Permits. There are no written claims pursuant to any Environmental Law pending or, to the Company’s Knowledge, threatened, against the Acquired Companies. There are no pending or, to the Company’s Knowledge, threatened investigations of the Acquired Companies, or of any currently owned or, to the Company’s Knowledge, formerly owned, or currently or formerly leased property of the Acquired Companies under any Environmental Laws, which would reasonably be expected to result in the Acquired Companies incurring any material liability pursuant to any Environmental Law as a result of any action taken by the Acquired Companies.

(b) None of the Acquired Companies is the subject of any outstanding Governmental Order respecting (i) any Environmental Law, (ii) Remedial Action or (iii) any Release or threatened Release of a Hazardous Material, and with respect to which any Acquired Company has any pending or ongoing material costs or obligations.

(c) None of the following is present at the Owned Real Property, or, to the Company’s Knowledge, the Leased Real Property: (i) underground treatment or storage tanks,

or, to the Company's Knowledge, underground piping associated with such tanks, used currently or in the past for the management of Hazardous Materials; (ii) any dump or landfill or other unit for the treatment or disposal of Hazardous Materials; (iii) incinerators or cesspools; (iv) polychlorinated biphenyls; (v) toxic mold; (vi) lead-based materials; or (vii) asbestos-containing materials in each case; that has resulted or would reasonably be expected to result in any material liability to the Acquired Companies under any Environmental Law.

(d) No Hazardous Material has been generated, stored, treated, transported, disposed or released on, in, from or to the Leased Real Property by the Company, Parent or any of their respective Affiliates or, to the Company's Knowledge, any other party, in violation of any Environmental Law that could reasonably be expected to result in a material liability to the Acquired Companies under any Environmental Law.

#### SECTION 4.13      Intellectual Property.

(a) Section 4.13(a) of the Disclosure Schedule sets forth a true and complete list of all Registered Owned Intellectual Property as of the date of this Agreement. To the Knowledge of the Company, none of the Registered Owned Intellectual Property has been adjudged invalid or unenforceable. With respect to each item of Registered Owned Intellectual Property, an Acquired Company is the sole owner of such Intellectual Property, free and clear of any Encumbrances (other than Permitted Encumbrances).

(b) To the Knowledge of the Company, (i) no Person is engaging in any activity that infringes, misappropriates or otherwise violates any Owned Intellectual Property and (ii) the conduct of the Business does not infringe, misappropriate or otherwise violate the Intellectual Property of any third party that is valid, enforceable and unexpired. To the Knowledge of the Company, there are no current or threatened claims by any third party that the Company has infringed, violated, or misappropriated the Intellectual Property of such third party. The Company has not, within the last three (3) years, received any written claim asserting that its use of any Intellectual Property is unauthorized or violates or infringes upon the Intellectual Property of any third party or challenging the ownership, use, validity or enforceability of any Intellectual Property.

(c) The Acquired Companies use commercially reasonable efforts to protect the confidentiality of the material confidential Owned Intellectual Property.

#### SECTION 4.14      Advertising.

(a) Section 4.14(a) of the Disclosure Schedule sets forth (i) the name of each of the top 10 advertisers (based on net sales without adjustment for bad debt or discrepancies) of each Station and each Esteem Station for the 12 months ended December 31, 2016 ("Material Customers") and (ii) the total net sales (without adjustment for bad debt or discrepancies) to each such Material Customer for advertisements in such period.

(b) Except as set forth in Section 4.14(b) of the Disclosure Schedule, since January 1, 2017 until the date hereof, to the Knowledge of the Company, no such Material Customer has notified the Company or Sellers in writing that it intends to materially change its relationship or any material terms upon which it will conduct business with the Company (such

as an intention to discontinue any advertising material to the Business or materially reduce the aggregate volume of advertising it purchases from the Acquired Companies or Acquired Esteem Companies, as applicable).

#### SECTION 4.15      Real Property.

(a)      Section 4.15(a) of the Disclosure Schedule contains a list of all real property (including any appurtenant easements, buildings, structures, fixtures and other improvements thereon) that is owned in fee simple by the Acquired Companies, indicating the owner thereof (collectively, the “Owned Real Property”).

(b)      Section 4.15(b) of the Disclosure Schedule sets forth the street address of each parcel of Leased Real Property and the identity of the lessor, lessee and current occupant (if different from lessee) of each such parcel of Leased Real Property. Assuming good fee title vested in the applicable lessor, such lessee has a valid and binding leasehold or servitude interest in each parcel of Leased Real Property, free and clear of all Encumbrances other than Permitted Encumbrances.

(c)      Except as set forth on Section 4.15(c) of the Disclosure Schedule, each Acquired Company has good and marketable fee simple title to the Owned Real Property indicated on Section 4.15(a) of the Disclosure Schedule as being owned by such Acquired Company, in each, case free and clear of Encumbrances, other than Permitted Encumbrances. Except as set forth on Section 4.15(c) of the Disclosure Schedule, no Acquired Company is obligated under, nor is a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Owned Real Property or any portion thereof or interest therein.

(d)      There has not been any sublease or assignment entered into by any of the Acquired Companies in respect of the leases relating to the Leased Real Property.

(e)      With respect to the Real Property, there is no (i) pending or, to the Company’s Knowledge, threatened condemnation, eminent domain or taking proceeding or (ii) to the Company’s Knowledge, private restrictive covenant or governmental use restriction (including zoning) on all or any portion of the Real Property that prohibits or materially and adversely interferes with the current use of the Real Property.

(f)      No Acquired Company, within the past two (2) years, has received any written notice of any material violation of any material Law affecting the Owned Real Property or the Leased Real Property or any Acquired Company’s use thereof.

(g)      Within the past two (2) years, no Acquired Company has received any written notice of any existing plan or study by any Governmental Authority or by any other Person that challenges or otherwise affects, in any material and adverse manner, the continued use or operation of any Owned Real Property or Leased Real Property. There is no Person in possession of any Owned Real Property other than an Acquired Company.

#### SECTION 4.16      Employee Benefit Matters.

(a) Plans and Material Documents. Section 4.16(a) of the Disclosure Schedule lists each material Company Plan. With respect to each Company Plan, the Company has made available to the Purchaser a true and complete copy of the plan document as amended to the date hereof (or, in the case of any Company plan that is unwritten, a description thereof), together with, if applicable, (i) the most recent summary plan description for which such summary plan description is required (including all amendments thereto through the date hereof); (ii) the most recent annual reports on Form 5500 required to be filed with the IRS with respect to each Company Plan (if any such report was required); (iii) each trust agreement and insurance or group annuity contract relating to any Company Plan; and (iv) copies of non-discrimination testing results for the three most recent plan years.

(b) Plan Compliance. Each Company Plan has been operated in all material respects in accordance with its terms and the requirements of all applicable Laws. Each of the Sellers, its Affiliates and the Acquired Companies, as applicable, has performed the obligations required to be performed by it under, is not in any material respect in default under or in violation of, and the Company has no Knowledge of, any material default or violation by any party to, any Company Plan. No Action is pending or, to the Knowledge of the Company, threatened with respect to any Company Plan (other than claims for benefits in the ordinary course of business) and, to the Knowledge of the Company, no fact or event exists that could give rise to any such action.

(c) Qualification of Certain Plans. Each Company Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS with respect to the most recent applicable determination letter filing period or has timely applied to the IRS for such a letter, and no event has occurred since the date of the most recent determination letter or application therefor relating to any such Company Plan that would reasonably be expected to adversely affect the qualification of such Company Plan.

(d) Multiemployer Plans. None of the Company Plans is subject to Title IV of ERISA or the minimum funding requirements of Section 412 of the Code or Section 302 of ERISA. None of the Company Plans is a “multiemployer plan” within the meaning of Section 3(37) or 4001(a)(3) of ERISA.

(e) Effect of Transaction. Except as set forth on Section 4.16(e) of the Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall: (i) result in the acceleration of the time of payment or vesting or creation of any rights of any current or former employee, manager, director or consultant to compensation or benefits under any Company Plan or otherwise, (ii) result in any payment becoming due, or increase the amount of any compensation due, to any current or former employee, manager, director or consultant of the Acquired Companies, or (iii) increase any benefits otherwise payable under any Company Plan.

(f) Section 280G Payments. No Company Plan provides for any payment by any Acquired Company that would result in the payment of any compensation or other payments that would not be deductible under the terms of Section 280G of the Code after giving effect to the transactions contemplated hereby.

(g) Each Company Plan that constitutes a nonqualified deferred compensation plan subject to Section 409A of the Code has been administered in all material respects, in both form and operation, with the provisions of Section 409A of the Code and the treasury regulations and other generally applicable guidance published by the IRS thereunder. None of the Acquired Companies has any liability or obligation to pay or reimburse any Taxes, related penalties, or interest that may be imposed by Section 409A of the Code.

SECTION 4.17      Labor and Employment Matters.

(a) There are no collective bargaining agreements that cover any of the Business Employees to which the Acquired Companies are a party, and to the Knowledge of the Company, there are no strikes, disputes, requests for representation, slowdowns or stoppages, organizational campaigns, petitions or other unionization activities seeking recognition of a collective bargaining unit relating to any Business Employee pending, or, to the Company's Knowledge, threatened in respect of any Acquired Company. There are no unfair labor practice charges, material grievances or material complaints pending against any Acquired Company or, to the Knowledge of the Company, threatened against or affecting any Acquired Company.

(b) Except as would not reasonably be expected to be material to the business and operations of any Acquired Company, each of the Acquired Companies is currently in compliance with all Laws related to the employment of labor, including those related to wages, hours, collective bargaining, terms and conditions of employment, discrimination in employment and collective bargaining, equal opportunity, harassment, immigration, disability, workers' compensation, unemployment compensation, occupational health and safety and the collection and payment of withholding. The Acquired Companies' classification of each of its employees as exempt or nonexempt has been made in all material respects in accordance with applicable Law. No Liability for termination notice or severance has been incurred with respect to any Business Employees under the Worker Adjustment and Retraining Notification Act as a result of an act or event occurring prior to the Closing.

(c) Section 4.17(c) of the Disclosure Schedule sets forth, for each Business Employee, other than the Non-Retained Employees, to the extent permissible by applicable Law, such Business Employee's name, date of hire, current rate of compensation, employment status (i.e., active, disabled, on authorized leave and reason therefor), department, title, whether covered by a collective bargaining agreement and whether full-time, part-time or per-diem.

SECTION 4.18      Taxes.

(a) All income and other material Tax Returns required to have been filed by or with respect to any Acquired Company have been timely filed (taking into account any extension of time to file granted or obtained) and each such Tax Return is true, correct and complete in all respects. All Taxes required to have been paid by or with respect to any Acquired Company (whether or not shown on any Tax Return as owing) have been paid in full. Other than Permitted Encumbrances, there is no Encumbrance for Taxes on any asset of any Acquired Company.

(b) No examination, audit or other proceeding conducted by any Taxing Authority with respect to any Acquired Company is currently in progress and, to the Knowledge of the Company, no such examination, audit or proceeding has been threatened. Within the last 3 years, no claim has been received from a Taxing Authority in a jurisdiction where an Acquired Company does not pay Tax or file Tax Returns that such Acquired Company is, or may be subject to, such Tax by that jurisdiction.

(c) None of the Acquired Companies is a party to any agreement providing for the sharing, allocation or indemnification of any Tax, other than (i) any customary commercial agreement the principal subject matter of which is not Taxes, and which was entered into in the ordinary course of business or (ii) any such agreement solely among any of the Acquired Companies. After the Closing Date, none of the Acquired Companies will be bound by any such agreement or similar arrangement entered into prior to the Closing Date.

(d) None of the Acquired Companies (i) has been a member of a consolidated, combined, unitary, or affiliated Tax group (other than a consolidated, combined, unitary, or affiliated Tax group of which an Acquired Company was the common parent) or (ii) has any actual or potential liability for Taxes of another Person (except any other Acquired Company) by reason of having been a member of a consolidated, combined, unitary, or affiliated Tax group, by operation of Law, as a transferee or successor, or otherwise (other than a customary commercial contract the principal subject matter of which is not Taxes and which was entered into in the ordinary course of business).

(e) None of the Acquired Companies (i) has waived or extended any statute of limitations in respect of an income or other material Tax or agreed to any extension of time with respect to an income or other material Tax assessment or deficiency, (ii) has made or entered into any material consent or agreement as to Taxes that will remain in effect following the Closing Date (iii) is the beneficiary of any extension of time within which to file any Tax Return, other than automatic extensions of time to file any Tax Return, or (iv) has received or requested any letter ruling or determination from the IRS (or any comparable ruling from any other Taxing Authority).

(f) Within the past 5 years, none of the Acquired Companies has been a “distributing corporation” or a “controlled corporation” in a distribution intended to qualify under Section 355(a) of the Code (or any other similar provision of state, local, or non-U.S. Law).

(g) Each Acquired Company has complied in all material respects with all Laws relating to the withholding of Taxes and payment of such Taxes to the appropriate Taxing Authority.

(h) None of the Acquired Companies will be required to include any item of income in, or exclude any item of deduction from, taxable income for any Post-Closing Period as a result of any (i) change in method of accounting made prior to the Closing, (ii) use of an improper method of accounting for a Pre-Closing Period, (iii) “closing agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Law) executed prior to the Closing, (iv) intercompany transaction or excess loss account



described in Regulations promulgated under Section 1502 of the Code (or any corresponding or similar provision of state, local or non-U.S. Law), (v) installment sale or open transaction disposition made prior to the Closing, (vi) prepaid amount received prior to the Closing, or (vii) election under Section 108(i) of the Code.

(i) None of the Acquired Companies is or has been a party to any “reportable transaction,” as defined in Section 6707A(c)(1) of the Code and Section 1.6011-4(b) of the Regulations.

(j) Except as provided in Section 4.18(i) of the Disclosure Schedule and disregarding the effect of the transactions contemplated by this Agreement, no net operating loss or other Tax attribute of any Acquired Company is currently subject to any limitation under Sections 382, 383, or 384 of the Code (or any corresponding provisions of state, local or non-U.S. Law). For the avoidance of doubt, no other representation is being made by the Company in respect of any limitation on any Tax attribute of any of Acquired Company (including but not limited to net operating losses or tax bases) arising in any Pre-Closing Period or the ability of the Purchaser or any of its Affiliates (including, after the Closing Date, any Acquired Company) to utilize such Tax attribute after the Closing Date.

(k) For U.S. federal income tax purposes, (i) as of January 1, 2017, the aggregate amount of (x) the “net operating loss carryovers” (within the meaning of Section 172 of the Code) of the Acquired Companies and (y) the disqualified interest expense of the Acquired Companies eligible to be carried forward pursuant to Section 163(j)(1)(B) of the Code was at least \$24,700,000, (ii) the Acquired Companies are required to include no more than \$6,172,119 of income in each of two successive taxable periods beginning January 1, 2017, as the final two installments of a five-year deferral of income from the discharge of indebtedness pursuant to an election made under Section 108(i) of the Code, and (iii) the Acquired Companies have a “minimum tax credit” (within the meaning of Section 53 of the Code) of at least \$740,000 for the taxable period beginning January 1, 2017.

#### SECTION 4.19      Tangible Personal Property.

(a) Section 4.19(a) of the Disclosure Schedule sets forth a list of all material Tangible Personal Property used in the conduct of the Business. Except as set forth on Section 4.19(a) of the Disclosure Schedule, the Acquired Companies have good and valid title to, or a valid leasehold interest in, all material Tangible Personal Property free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) Except as set forth on Section 4.19(a) of the Disclosure Schedule, all material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted, have been maintained in accordance with normal industry practice, and are suitable, in all material respects, for the purposes for which they are currently used.

(c) The Tangible Personal Property, when taken together with the Owned Real Property and the Leased Real Property, collectively constitute the properties, rights, interests and assets, sufficient for the operation, in all material respects, of the Business as presently conducted.

(d) No Person other than an Acquired Company has any rights to use any of the Tangible Personal Property, whether by lease, sublease, license or other instrument, other than set forth on Section 4.19(d) of the Disclosure Schedule.

#### SECTION 4.20 Material Contracts.

(a) Section 4.20(a) of the Disclosure Schedule sets forth each of the following Contracts (other than Company Plans) that are material to the Business and to which an Acquired Company is a party in effect as of the date of this Agreement (such Contracts being “Material Contracts”):

(i) any Contract for the purchase of materials, supplies, goods, services, equipment or other assets by an Acquired Company (other than purchase orders) providing for annual payments expected to be in excess of \$50,000 in the aggregate during the fiscal year ending December 31, 2017 and which is not cancelable without penalty or further payment and without more than 90 days’ notice;

(ii) any Contract that (A) generated revenues of more than \$100,000 during the fiscal year ended December 31, 2016 or (B) is anticipated to generate revenues of more than \$100,000 during the fiscal year ending December 31, 2017;

(iii) any Contract under which payments by or obligations of any Acquired Company will be increased, accelerated or vested by the occurrence (whether alone or in conjunction with any other event) of any of the transactions contemplated by this Agreement, or under which the value of the payments by or obligations of any Acquired Company will be calculated on the basis of any of the transactions contemplated by this Agreement, whether pursuant to a change in control or otherwise;

(iv) any Contract for Program Rights that involves cash payments or cash receipts in excess of \$50,000 over the remaining term of such contract;

(v) any network affiliation agreement with ABC, NBC, CBS, Univision, CW, Fox or MyNetworkTV broadcast television networks;

(vi) any retransmission consent agreement with any MVPD with more than 5,000 subscribers in any of the Station’s Markets;

(vii) except as it relates to any Non-Retained Employee, any Contract (a) with an independent contractor or consultant (or similar arrangements) involving a payment by an Acquired Company of more than \$50,000 that is not cancelable without penalty or further payment and without more than 90 days’ notice, or (b) (A) with any director, (B) for the employment of any Business Employee holding a title equal to or senior to the title Senior Vice President, and (C) for the employment of a Business Employee or on air talent that provided for annual compensation (including base salary, bonus and commission payments) in 2016 in excess of \$100,000;

(viii) any Contract that limits or purports to limit, in any material respect, the ability of an Acquired Company to compete in any material line of business



or with any Person or in any geographic area or during any period of time, or that grants the other party or any third person “most favored nation” or similar status;

(ix) any Contract relating to the acquisition or disposition (whether by merger, sale of stock, sale of assets or otherwise) of any material business, corporation, partnership, association, joint venture or other business organization, or any division, operating unit or product line of the Business entered into (A) within the two year period prior to the date hereof or (B) with respect to which there remains any material outstanding obligations on the part of any of the Acquired Companies;

(x) any Contract that relates to the guarantee (whether absolute or contingent) by any Acquired Company of (A) the performance of any other Person (other than a wholly owned subsidiary of any Acquired Company) or (B) the whole or any part of any Indebtedness or liabilities of any other Person (other than a wholly owned subsidiary of any Acquired Company);

(xi) any collective bargaining agreement;

(xii) any Contract that contains any power of attorney authorizing the incurrence of an obligation on the part of any Acquired Company;

(xiii) any material Company IP Agreement;

(xiv) any Contracts relating to Indebtedness of any of the Acquired Companies, or the making or borrowing of any loans, and Contracts related to any mortgage, pledge or security agreement, deed, trust or other instrument granting an Encumbrance (other than Permitted Encumbrances) upon any Tangible Personal Property;

(xv) any Contract relating to Leased Real Property;

(xvi) any Contract involving the purchase or sale of Real Property that has not closed as of the date hereof;

(xvii) any Contract involving construction, architecture, engineering or other agreements relating to uncompleted construction projects, in each case that involve payments in excess of \$100,000;

(xviii) any Contract with a Governmental Authority (other than Contracts in the ordinary course of business with a Governmental Authority as a customer) which imposes any material obligation or restriction on an Acquired Company;

(xix) any Contract relating to the use of a Station’s digital bit stream other than in connection with broadcast television services;

(xx) any Contract that grants any Person an option or a right of first refusal, right of first offer or similar preferential right to purchase or acquire any equity interest in, or assets of, any Acquired Company; and

(xxi) all other Contracts (other than Intercompany Agreements) that are material to the Acquired Companies, taken as a whole.

(b) Each Material Contract is valid and binding on the respective Acquired Company and, to the Knowledge of such Acquired Company, the counterparties thereto, and is in full force and effect, enforceable against such Acquired Company, and, to the Knowledge of such Acquired Company, against all third parties, in each case in accordance with its terms, except as limited by Enforceability Exceptions. None of the Acquired Companies is in material breach of, or material default under, any Material Contract to which it is a party and, as of the date hereof, to the Knowledge of the Company, no counterparty thereto is in material breach of, or material default under, any Material Contract.

#### SECTION 4.21 Intercompany Agreements, Related Party Transactions.

(a) Except as set forth on Section 4.21(a) of the Disclosure Schedule, no Acquired Company is a party to any Intercompany Agreement.

(b) Except (A) as set forth on Section 4.21(b) of the Disclosure Schedule, (B) with respect to any amounts to be repaid at Closing or Contracts to be terminated at Closing, or (C) for amounts due as salaries, wages, benefits or reimbursements of ordinary business expenses, including pursuant to any employment agreements, incentive compensation and equity arrangements, the Company has no liabilities for indebtedness for borrowed money owing to any director, officer, member, Stockholder, consultant, Business Employee or Esteem Employee (including an employee that was previously employed by an Acquired Company or Esteem but is not employed as of the date of this Agreement or the Closing. Except as set forth on Section 4.21(b) of the Disclosure Schedule and for business expense advances in the ordinary course of business, no director, officer, member, stockholder, consultant, Business Employee or Esteem Employee (including an employee that was previously employed by an Acquired Company or Esteem but is not employed as of the date of this Agreement or the Closing) now has, or on the Closing Date will have, any liability for any indebtedness for borrowed money owing to the Company. Except (i) as set forth on Section 4.21(b) of the Disclosure Schedule, (ii) for carriage agreements with any Stockholders or their Affiliates, (iii) agreements providing for the employment of, or the furnishing of services by, individuals, (iv) agreements among the Stockholders and the Company relating to the ownership of Company Equity Securities and (v) the transactions contemplated by this Agreement, no member of the board of directors, officer, employee or stockholder of an Acquired Company or an Acquired Esteem Company, or to the Knowledge of the Company, any Affiliate or family member of any such stockholder, is a party to any material transaction with the Company, including as relates to any Indebtedness of the Company or providing rental of real or personal property from, or otherwise requiring payments to, any such Person or firm.

(c) Except as set forth on Section 4.21(c) of the Disclosure Schedule, no Acquired Company owes any Indebtedness to any other Acquired Company or Acquired Companies.

#### SECTION 4.22 FCC and Programming Distribution Matters.

(a) Section 4.22(a) of the Disclosure Schedule sets forth a true and complete list of the FCC Licenses and the holders thereof, which FCC Licenses constitute all of the FCC Licenses of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated, and have not expired. Except as set forth on Section 4.22(a) of the Disclosure Schedule, the FCC Licenses (i) have been issued for the full terms customarily issued by the FCC for each class of Station and (ii) are not subject to any condition, except for those conditions appearing on the face of the FCC Licenses and conditions generally applicable to each class of Station.

(b) The Acquired Companies have operated each Station in compliance with the Communications Laws and the FCC Licenses in all material respects and have paid or caused to be paid all FCC regulatory fees due in respect to each Station. All material registrations and reports required to have been filed with the FCC relating to the FCC Licenses have been filed and the Acquired Companies have completed or caused to be completed the construction of all facilities or changes contemplated by any of the FCC Licenses or construction Permits issued to modify the FCC Licenses, to the extent such construction was required to be completed as of the date hereof. There is not pending, nor, to the Company's Knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than in connection with proceedings of general applicability, including any post-Broadcast Incentive Auction repacking), nor is there issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or the Acquired Companies with respect to the Stations that would reasonably be expected to result in any such action. Except as set forth on Section 4.22(b) of the Disclosure Schedule and other than proceedings affecting broadcast stations generally (including any applications or any other filings in connection with such proceedings), there are no material applications, petitions, proceedings or other material actions pending or, to the Company's Knowledge, threatened before the FCC relating to the Stations. Except as set forth on Section 4.22(b) of the Disclosure Schedule and except for tolling agreements entered into pursuant to Section 2.09(b), none of the Acquired Companies nor any of the Stations has (i) entered into a tolling, assignment and assumption or similar agreement with the FCC or otherwise waived any statute of limitations relating to the Stations during which the FCC may assess any fine or forfeiture or take any other action or (ii) agreed to any extension of time with respect to any FCC investigation or proceeding.

(c) The Sellers are qualified under the Communications Laws to transfer control of the FCC Licenses to the Purchaser. To the Company's Knowledge, there are no facts or circumstances relating to the Stations, the Sellers or the Acquired Companies that would reasonably be expected to (i) result in the FCC's refusal to grant the FCC Consent, or (ii) materially delay the receipt of the FCC Consent. Sellers have no reason to believe that the FCC Applications might be challenged or might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to the Sellers, the Acquired Companies, the Business, the Esteem Business or the FCC Licenses.

(d) Except as set forth on Section 4.22(d) of the Disclosure Schedule, none of the Acquired Companies is a party to any local marketing agreement, time brokerage agreement, joint sales agreement or shared services agreement (collectively, a "Sharing Agreement").

(e) Section 4.22(e) of the Disclosure Schedule contains, as of the date hereof, (i) for each Station, a list of all MVPDs with more than 5,000 subscribers, and (ii) a list of the MVPDs that, to the Company's Knowledge, carry any Station and have more than 5,000 subscribers with respect to each such Station outside such Station's Market. The Acquired Companies have entered into retransmission consent agreements or carriage agreements with respect to each MVPD with more than 5,000 subscribers in any of the Stations' Markets. During the two years prior to the date hereof, except as set forth on Section 4.22(e) of the Disclosure Schedule, (x) no headend with more than 5,000 subscribers covered by an MVPD in any of the Stations' Markets has provided written notice to the Sellers or any Acquired Company of any material signal quality issue or has failed to respond to a request for carriage or, to the Company's Knowledge, sought any form of relief from carriage of a Station from the FCC and (y) neither the Sellers nor any Acquired Company has received any written notice from any MVPD with more than 5,000 subscribers in any Station's Markets of such MVPD's intention to delete such Station from carriage or to change a Station's channel position.

(f) Section 4.22(f) of the Disclosure Schedule contains, as of the date hereof, a list of all "opt-ins" executed by a Station relating to "digital MVPDs".

SECTION 4.23 Brokers. Except for Moelis & Company LLC, for which the applicable fee shall be paid by the Sellers or treated as a Company Transaction Expense, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the Escrow Agreement.

SECTION 4.24 Disclaimer of the Sellers. EXCEPT AS SET FORTH IN ARTICLE III, THIS ARTICLE IV AND THE ESTEEM PURCHASE AGREEMENT, NONE OF THE SELLERS, THE COMPANY, THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES MAKE OR HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE SHARES, THE ACQUIRED COMPANIES, THE PROPERTIES OR ASSETS OF THE ACQUIRED COMPANIES OR THE BUSINESS, INCLUDING WITH RESPECT TO (I) MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, (II) THE OPERATION OF THE ACQUIRED COMPANIES OR THE BUSINESS BY THE PURCHASER AFTER THE CLOSING, (III) THE PROBABLE SUCCESS OR PROFITABILITY OF THE ACQUIRED COMPANIES OR THE BUSINESS AFTER THE CLOSING, (IV) ANY FINANCIAL PROJECTION OR FORECAST RELATING TO THE ACQUIRED COMPANIES OR THE BUSINESS, (V) ANY OTHER INFORMATION MADE AVAILABLE TO THE PURCHASER, ITS AFFILIATES AND ITS AND THEIR RESPECTIVE REPRESENTATIVES, OR (VI) ANY OTHER MATTER OR THING.

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

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

SECTION 5.01 Organization and Authority of the Purchaser. The Purchaser is duly organized, validly existing and in good standing under the laws of the

jurisdiction of its organization and has all necessary power and authority to enter into this Agreement and the Escrow Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The Purchaser is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not materially and adversely affect the ability of the Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Escrow Agreement. The execution and delivery by the Purchaser of this Agreement and the Escrow Agreement, the performance by the Purchaser of its obligations hereunder and thereunder and the consummation by the Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of the Purchaser. This Agreement has been, and upon its execution and the Escrow Agreement shall have been, duly executed and delivered by the Purchaser, and (assuming due authorization, execution and delivery by the other parties thereto) this Agreement constitutes, and upon its execution and the Escrow Agreement shall constitute, legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, subject to the Enforceability Exceptions.

SECTION 5.02      No Conflict. Assuming compliance with the pre-merger notification and waiting period requirements of the HSR Act, the obtaining of the FCC Consent and the making and obtaining of all filings, notifications, consents, approvals, authorizations and other actions referred to in Section 5.03, the execution, delivery and performance by the Purchaser of this Agreement and the Escrow Agreement do not and will not (a) violate or result in the breach of any provision of its Governing Documents, (b) violate any Law or Governmental Order applicable to the Purchaser or its respective assets, properties or businesses or (c) result in any breach of, constitute a default or event that, with the giving of notice or lapse of time, or both, would become a default under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, any note, bond, mortgage or indenture, Contract, permit, franchise or other instrument or arrangement to which the Purchaser is a party, except, in the case of clauses (b) and (c), as would not materially and adversely affect the ability of the Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Escrow Agreement.

SECTION 5.03      Governmental Consents and Approvals. The execution, delivery and performance by the Purchaser of this Agreement and the Escrow Agreement do not and will not require any consent, approval, authorization or other order of, action by, filing with, or notification to, any Governmental Authority, except (a) as described on Section 5.03 of the Disclosure Schedule, (b) the pre-merger notification and waiting period requirements of the HSR Act, (c) the FCC Consent, or (d) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of the transactions contemplated by this Agreement and the Escrow Agreement.

SECTION 5.04      Qualification.

(a) Except as set forth on Section 5.04(a) of the Disclosure Schedule the Purchaser is legally, financially and otherwise qualified to acquire the Shares and to own the Acquired Companies and to control and operate the Stations under the Communications Laws, including the provisions relating to media ownership and attribution, foreign ownership and control and character qualifications, and there are no facts or circumstances that would, under the Communications Laws and the existing procedures of the FCC or any other applicable Law, disqualify the Purchaser as the owner and operator of the Stations or as the transferee of control of the Acquired Companies and the FCC Licenses. Except as set forth on Section 5.04(a) of the Disclosure Schedule, the Purchaser has no reason to believe that the FCC Applications might be challenged or might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to the Purchaser.

(b) Except as set forth on Section 5.04(b) of the Disclosure Schedule no waiver of or exemption from any provision of the Communications Laws or policies of the FCC is necessary for the FCC Consent to be obtained; and there are no facts or circumstances that might reasonably be expected to (i) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify the Purchaser, (ii) materially delay obtaining the FCC Consent or (iii) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent.

SECTION 5.05      Investment Purpose. The Purchaser is acquiring the Shares solely for the purpose of investment and not with a view to, or for offer or sale in connection with, any distribution thereof other than in compliance with all applicable Laws, including United States federal securities laws. The Purchaser agrees that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act and any applicable state or foreign securities Laws, except pursuant to an exemption from such registration under the Securities Act and such Laws. The Purchaser is able to bear the economic risk of holding the Shares for an indefinite period (including total loss of its investment), and (either alone or together with its Representatives) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

SECTION 5.06      Financing. The Purchaser will have, as of the Closing Date, all funds necessary and sufficient to consummate the transactions contemplated hereby and to (a) pay the Purchase Price and all other amounts payable under this Agreement and the Escrow Agreement, (b) pay any fees and expenses payable by the Purchaser in connection with the transactions contemplated hereby and thereby, and (c) satisfy any of its other payment obligations hereunder or thereunder.

SECTION 5.07      Litigation. As of the date hereof, no Action by or against the Purchaser is pending or, to knowledge of the Purchaser, threatened in writing, which could affect the legality, validity or enforceability of this Agreement, the Escrow Agreement or the consummation of the transactions contemplated hereby or thereby. The Purchaser is not subject to any Governmental Order that would reasonably be expected to impair or delay the ability of the Purchaser to effect the Closing.

SECTION 5.08      Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions



contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

SECTION 5.09      Independent Investigation; Sellers' Representations.

(a)      The Purchaser has conducted its own independent investigation, review and analysis of the business, operations, assets (including Contracts), liabilities, results of operations, financial condition, technology and prospects of the Acquired Companies and the Business, which investigation, review and analysis was undertaken by the Purchaser and its Affiliates and Representatives. The Purchaser acknowledges that it, its Affiliates and their respective Representatives have been provided adequate access to the personnel, properties, facilities and records of the Acquired Companies for such purpose. In entering into this Agreement, the Purchaser acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of any of the Sellers, their respective Affiliates or their respective Representatives (except the specific representations and warranties of the Sellers, the Company, Esteem, the Esteem Seller set forth in this Agreement and the Esteem Purchase Agreement).

(b)      The Purchaser hereby agrees and acknowledges that (i) other than the specific representations and warranties made in this Agreement and the Esteem Purchase Agreement none of the Sellers, the Company, Esteem, the Esteem Seller, their respective Affiliates, or any of their respective Representatives make or have made, and the Purchaser has not relied on, any representation or warranty, express or implied, at law or in equity, with respect to the Shares, the Acquired Companies, the properties or assets of the Acquired Companies or the business of the Acquired Companies, including with respect to (A) merchantability or fitness for any particular purpose, (B) the operation of the Acquired Companies or the Business by the Purchaser after the Closing, (C) the probable success or profitability of the Acquired Companies or the Business after the Closing, (D) any financial projections or forecast relating to the Acquired Companies or the Business, (E) any other information made available to the Purchaser, its Affiliates and its and their respective Representatives, or (F) as to any other matter or thing, and (ii) other than the indemnification obligations of the Sellers set forth in Article VIII or Article X, none of the Sellers, the Company, Esteem, the Esteem Seller, their respective Affiliates or any of their respective Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other Person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the Acquired Companies or the Business, including the confidential information presentation dated September 2016 and any information, documents or materials made available to the Purchaser, its Affiliates or Representatives, whether orally or in writing, in certain "data rooms," management presentations, functional "break out" discussions, response to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions contemplated by this Agreement.

(c)      The Purchaser, its Affiliates and their respective Representatives have received and may continue to receive from the Sellers, the Company, Esteem, the Esteem Seller, their respective Affiliates or their respective Representatives certain estimates, projections and other forecasts for the Business of the Acquired Companies and certain plan and budget information. The Purchaser acknowledges that these estimates, projections, forecasts, plans and

budgets and the assumptions on which they are based were prepared for specific purposes and may vary significantly from each other. Further, the Purchaser acknowledges that there are uncertainties inherent in attempting to make such estimates, projections, forecasts, plans and budgets, that the Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it, and that the Purchaser is not relying on any estimates, projections, forecasts, plans or budgets furnished by the Sellers, the Company or their respective Representatives, and the Purchaser shall not, and shall cause its Affiliates and their respective Representatives not to, hold any such Person liable with respect thereto.

## **ARTICLE VI ADDITIONAL AGREEMENTS**

**SECTION 6.01**      Conduct of Business Prior to the Closing. Between the date hereof and the earlier of the Closing Date and the date on which this Agreement is terminated pursuant to Section 11.01, the Company covenants and agrees that, except (A) as described in Section 6.01 of the Disclosure Schedule or the disclosure schedules that form part of the Esteem Purchase Agreement, (B) as contemplated, permitted or required by this Agreement or applicable Law, and (C) as necessary to fulfill any commitment of any Acquired Company or Station with respect to its participation in the Broadcast Incentive Auction, the Company shall (i) conduct the business of the Acquired Companies in the ordinary course of business in all material respects in accordance with the Communications Laws, the FCC Licenses and with all other applicable Laws and (ii) use commercially reasonable efforts to preserve intact in all material respects the business organization of the Acquired Companies. Without limitation of the foregoing, except as described in Section 6.01 of the Disclosure Schedule, the Company covenants and agrees that, between the date hereof and the earlier of the Closing Date and the date on which this Agreement is terminated pursuant to Section 11.01, without the prior written consent of the Purchaser, none of the Acquired Companies will:

(a)      (i) issue, sell, pledge, dispose of, grant, encumber or authorize the issuance, sale, pledge, disposition, or grant of any capital stock, notes, bonds or other securities of the Acquired Companies (or any option, warrant or other right to acquire the same), (ii) split, combine or reclassify any Company Equity Security or other equity interests in the Acquired Companies, (iii) redeem, purchase or otherwise acquire any of the capital stock of the Acquired Companies, or (iv) declare, make or pay any dividends or distributions to the holders of capital stock of the Acquired Companies, other than dividends, distributions and redemptions declared, made or paid by the Company solely to the Sellers or by any Acquired Subsidiary solely to the Company or another Acquired Subsidiary;

(b)      amend or restate the Governing Documents of any of the Acquired Companies;

(c)      permit an Acquired Company to enter into or agree to enter into any merger or consolidation with any corporation or other entity, acquire the securities of any other Person or acquire any other business or division of a business through acquisition of assets;



(d) incur or guarantee any additional Indebtedness (other than (i) any Indebtedness between any Acquired Company, on the one hand, and any other Acquired Company, on the other hand and (ii) under the current terms of any Contracts of Indebtedness or in the ordinary course of business);

(e) other than in the ordinary course of business, cancel or compromise any material debt or claim or waive or release any material right of an Acquired Company;

(f) acquire, dispose of, abandon, lease or exclusively license any material asset or property of the Acquired Companies other than in the ordinary course consistent with past practice;

(g) subject to any Encumbrance, any of the properties or assets (whether tangible or intangible) of an Acquired Company, except for Permitted Encumbrances and Encumbrances that will be released at or prior to the Closing;

(h) except for agreements and contracts which can be terminated by the Acquired Companies without penalty upon notice of ninety (90) days or less, not (i) enter into any agreement or contract that would have been a Material Contract were an Acquired Company a party or subject thereto on the date of this Agreement unless such agreement or contract (x) is entered into in the ordinary course of business and (y) does not involve payments by any Acquired Company of greater than \$50,000 during any twelve (12) month period, or (ii) amend in any material respect any Material Contract unless such amendment (x) is effected in the ordinary course of business and (y) does not increase the amount of payments to be made by any Acquired Company during any twelve (12) month period by \$50,000 or more (it being understood that if any such entry into, or amendment or termination of any such agreement or contract is permitted pursuant to this Section 6.01(h) as a result of the references to acts taken in the ordinary course of business, but such action would otherwise be prohibited by any other provision of this Section 6.01, then this Section 6.01(h) shall not be interpreted to permit such action without the prior written consent of Purchaser as contemplated hereby);

(i) (A) enter into any agreement relating to programming that would bind the Purchaser following the Closing or (B) enter into any replacement, renewal or extension of a previous programming agreement that would bind the Purchaser following the Closing (provided that the Purchaser shall not unreasonably withhold, delay or condition its consent to the actions and matters contemplated by the foregoing clauses (A) and (B) to the extent they do not result in any material increase in the programming costs of any Station);

(j) sell or otherwise dispose of any such rights to programming (provided, that if such sale or disposition will not result in any material increase in the programming costs of any Station, the Purchaser shall not unreasonably withhold, delay or condition its consent);

(k) fail to timely make retransmission consent elections with all MVPDs located in or serving the Station's Markets;

(l) execute any new network “opt ins” for “digital MVPDs” that would bind the Purchaser after the Closing (provided, that the Purchaser shall not unreasonably withhold, delay or condition its consent);

(m) extend credit to advertisers other than in the ordinary course of business or otherwise in accordance with the Company’s usual and customary policy with respect to extending credit for the sale of broadcast time and collecting accounts receivable;

(n) enter into any lease for any Real Property as a lessor, sublessor or lease or sublease;

(o) hire, engage or terminate (other than for cause or in regards to any Non-Retained Employee) any Business Employee or other individual service provider who is or would be entitled to receive annual base compensation of \$125,000 or more;

(p) other than solely with respect to any Non-Retained Employee, (A) grant or announce any material increase in the salaries, bonuses or other benefits payable by any of the Acquired Companies or to any Business Employees whose rate of base salary or annual rate of base pay exceeds \$125,000, other than (i) as required by Law, (ii) pursuant to any Company Plans or Material Contracts existing on the date hereof or (iii) increases in the ordinary course of business (provided, that if such grant or increase is required in order to hire or engage replacements or substitutes for current Business Employees who for any reason, following the date hereof, cease to be employed by the Business, the Purchaser shall not unreasonably withhold, delay or condition its consent) or (B) modify any severance policy applicable to any Business Employee that would result in any material increase in the amount of severance payable to any such Business Employee (or would materially expand the circumstances in which such severance is payable);

(q) other than with respect to any Non-Retained Employee, enter into or renegotiate or make any commitment to enter into or renegotiate any employment agreement with a Business Employee providing for annual compensation in excess of \$125,000, or enter into any severance agreement or any labor, or union agreement or plan (including any collective bargaining agreement) that will be binding upon Purchaser or any Acquired Company after the Closing;

(r) other than solely with respect to any Non-Retained Employee, adopt, enter into or become bound by any new Company Plan or amend, modify or terminate any Company Plan, except to comply with applicable Law or otherwise in connection with the consummation of the transactions contemplated hereby;

(s) change any method of accounting or accounting practice or policy used by any of the Acquired Companies, other than such changes required by GAAP or applicable Law;

(t) pay or discharge, enter into any settlement with respect to, or waive or compromise, any Action that is material to the Acquired Companies;

(u) subject to Section 6.05(c), cause or permit, or agree or commit to cause or permit, by act or failure to act, any Material Permit, including the FCC Licenses, to expire or to be revoked, suspended or adversely modified, or take or fail to take any action that would cause the FCC or any other Governmental Authority to institute proceedings (other than proceedings of general applicability) for the suspension, revocation or adverse modification of any Material Permit, including the FCC Licenses (provided that, in connection with repacking conducted by the FCC following the Broadcast Incentive Auction, the Purchaser will not unreasonably withhold, delay or condition its consent);

(v) make, change or revoke any income or other material Tax election, adopt or change any Tax accounting method or annual accounting period, file any income or other material amended Tax Return, consent to any extension or waiver of the statute of limitations period for the assessment or collection of any Tax, or settle or compromise any Action relating to Taxes;

(w) participate in any “reportable transaction” within the meaning of Section 1.6011-4(b) of the Regulations;

(x) cease to maintain in full force and effect until the Closing substantially the same Policies (or equivalent levels of insurance coverage) with respect to the Business, operations and activities of the Acquired Companies as are in effect as of the date of this Agreement;

(y) incur any capital expenditures or any Liabilities in respect thereof (i) except as contemplated by the capital expenditure budget set forth in Section 6.01(x) of the Disclosure Schedule and (ii) other than any unbudgeted capital expenditures that do not exceed \$50,000 individually or \$100,000 in the aggregate; or

(z) agree to take any of the actions specified in this Section 6.01, except as contemplated by this Agreement, the Esteem Purchase Agreement and the Escrow Agreement.

**SECTION 6.02**      Interim Reports. Within forty-five (45) days after the end of each calendar month during the period from the date of this Agreement through the Closing, including, for the avoidance of doubt, the end of March 2017, Sellers shall provide to Purchaser, with respect to the Acquired Companies, the unaudited balance sheet as of the end of such month and the related combined unaudited statement of operations for such month ended of the Acquired Companies. Such reports shall be prepared on the same basis as the Company Financial Statements. Sellers shall also provide to Purchaser weekly pacing reports for each of the Stations promptly following the end of each week during the period from the date hereof through the Closing.

**SECTION 6.03**      Access to Information; Retention of Records.

(a) From the date hereof until the Closing, upon reasonable notice, the Parent shall use commercially reasonable efforts to cause the Acquired Companies and their respective Representatives to (i) afford the Purchaser and its authorized Representatives reasonable access

to the offices, properties and the books and records of the Acquired Companies and (ii) furnish to the Purchaser and the authorized Representatives of the Purchaser such additional financial and operating data and other information regarding the Acquired Companies (or copies thereof) as the Purchaser may from time to time reasonably request; provided, however, that any such access or furnishing of information shall be conducted at the Purchaser's expense, during normal business hours, under the supervision of the Company's personnel and in such a manner as not to unreasonably interfere with the normal operations of the Acquired Companies. Notwithstanding anything to the contrary in this Agreement, the Parent shall not be required to disclose any information to the Purchaser if such disclosure would, in the Parent's sole discretion, (x) jeopardize any attorney client or other legal privilege or (y) contravene any applicable Laws, fiduciary duty or binding Contract entered into prior to the date hereof, including data privacy and protection Laws applicable to employee personal information and Communications Laws and FCC rules prohibiting the direct or indirect disclosure of certain information related to the Broadcast Incentive Auction. When accessing any of the properties of the Acquired Companies, the Purchaser shall, and shall cause its Representatives to, comply with all safety and security requirements for such property. Notwithstanding anything to the contrary in this Agreement, neither the Purchaser nor any of its Representatives shall be allowed to sample or analyze any soil or groundwater or other environmental media, or any building material, without the express written consent of the Parent, which consent may be withheld in the sole and absolute discretion of the Parent.

(b) For a period of seven years after the Closing Date or the relevant period for the statute of limitations, the Purchaser shall preserve, in accordance with the Purchaser's normal document retention procedures and practices, all books, records, Contracts and other information of the Acquired Companies and shall provide the Parent and its Representatives a reasonable opportunity, during normal business hours, to have access to the Continuing Employees and to obtain copies and extracts, at the Parent's expense, of any such books, records, Contracts and information, in each case as relates to the period prior to the Closing, to the extent that such access may be required by the Parent (i) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against the Parent other than by a Purchaser Indemnified Party (but subject to the proviso in clause (B) below), (ii) for financial reporting or accounting matters and for the preparation and filing of Tax Returns and audits, (iii) for the purposes of compliance with securities, environmental, employment and other Laws, and (iv) for any other reasonable and proper business purpose not related to the transactions contemplated by this Agreement but subject to the proviso in clause (B) below, provided, (A) that such access does not unreasonably disrupt the business and operations of the Purchaser and (B) in the case of the foregoing clauses (i) and (iv), the Parties shall, in all cases, to the extent required, use commercially reasonable efforts to cooperate and formulate appropriate substitute disclosure arrangements pursuant to which such books, records, Contracts and information can be disclosed to the Parent in a manner consistent with, or that eliminates, any competitive or other concerns or attorney-client or other legal privilege of any Purchaser Indemnified Party.

#### SECTION 6.04 Confidentiality.

(a) The terms of the letter agreement, dated as of September 20, 2016 (the "Confidentiality Agreement"), between Bonten Media Group Inc. and Sinclair Broadcast Group,

Inc. are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time the Confidentiality Agreement and the obligations of the Purchaser under this Section 6.04 shall terminate; provided, however, that the Confidentiality Agreement and the obligations of the Purchaser under this Section 6.04 shall terminate only in respect of that portion of the Evaluation Material (as defined in the Confidentiality Agreement) exclusively relating to the transactions contemplated by this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the obligations of the Purchaser under this Section 6.04 shall nonetheless continue in full force and effect.

(b) Nothing provided to the Purchaser pursuant to Section 6.03(a) shall in any way amend or diminish the Purchaser's obligations under the Confidentiality Agreement. The Purchaser acknowledges and agrees that any Evaluation Material provided to the Purchaser pursuant to Section 6.03(a) or otherwise by or on behalf of the Sellers or any Representative thereof shall be subject to the terms and conditions of the Confidentiality Agreement.

#### SECTION 6.05      Control and Maintenance of Qualification; Repacking.

(a) Notwithstanding any other provision set forth in this Agreement, including any provision of this Article VI, the Purchaser shall not, directly or indirectly, control, supervise or direct the Business or operations of the Acquired Companies or the Stations prior to the Closing. Consistent with the Communications Laws, prior to the Closing, control, supervision and direction of the Acquired Companies and the Stations shall remain the responsibility of the Sellers and their Affiliates, as the corporate parents, as applicable, of the Acquired Companies holding the respective FCC Licenses.

(b) Except to the extent set forth on Section 5.04 of the Purchaser Disclosure Schedule, the Purchaser shall remain qualified under the Communications Laws to be the transferee of control of the Acquired Companies and to become the licensee of the Stations as contemplated upon the Closing. Except as set forth in Section 5.04 of the Purchaser Disclosure Schedule, the Purchaser shall not enter into or commit to become a party to any Sharing Agreement with respect to a broadcast television station in any market of a Station.

(c) Following the date hereof, the Parties agree to reasonably cooperate in connection with the implementation of any modifications or amendments to the FCC Licenses or the Stations necessitated by the repacking conducted by the FCC following the Broadcast Incentive Auction, including taking such actions as may be reasonably requested by the Purchaser in connection therewith and/or as may be reasonably required to comply with any FCC order in connection therewith; provided, that the Purchaser shall reimburse the Company for any costs, fees and expenses incurred by any of the Acquired Companies or Acquired Esteem Companies arising out of or resulting from any actions taken at the request of the Purchaser in connection therewith.

#### SECTION 6.06      "Bonten" Names and Marks.

(a) As promptly as reasonably practicable following the Closing, and in any event not later than 120 days following the Closing, the Purchaser shall, and shall cause its Affiliates to, at the expense of the Purchaser, file with the applicable Governmental Authorities

all documents necessary to effect a name change and any amendment of the Governing Documents of Acquired Companies necessary to remove any reference to the “Bonten” names or marks and any of the marks set forth on Section 6.06(a) of the Disclosure Schedule from the name(s) of the Acquired Companies. For the avoidance of doubt, the provisions of the preceding sentence shall apply to and include any legal entity names, d/b/a’s, and trade names.

(b) Following the Closing, except for the limited right to use as expressly permitted by this Section 6.06, neither the Purchaser nor its Affiliates shall have hereunder any right, title or interest in or to, or right to use the “Bonten” names or marks; provided, however, that the Purchaser and its Affiliates may refer to the “Bonten” names in marketing and other materials for referencing their former ownership or names or as otherwise permitted by applicable Law.

**SECTION 6.07      Notifications; Update of Disclosure Schedule.** From and after the date hereof until the Closing, each Party shall promptly notify the other Party in writing of any fact, change, condition, circumstance or occurrence or nonoccurrence of any event of which it is aware that will or is reasonably likely to result in any of the conditions set forth in Article IX of this Agreement becoming incapable of being satisfied or being materially delayed. From and after the date of this Agreement until the Closing Date, the Parent shall have the right, but not the obligation, from time to time, by notice given in accordance with this Agreement, to supplement or amend the Disclosure Schedule to reflect any fact, change, or occurrence or nonoccurrence of any event that occurs on or after the date of this Agreement. No such update shall be deemed to supplement or amend the Disclosure Schedule for the purpose of determining the accuracy of any of the representations and warranties made by the Sellers and the Company in this Agreement for any purpose, including the satisfaction of the conditions in Section 9.01 or Section 9.03 or for purposes of Article X.

**SECTION 6.08      Financing Cooperation.**

(a) In the event that Purchaser seeks to obtain funding in connection with the consummation of the transactions contemplated hereby (“Debt Financing”), the Acquired Companies shall provide, and shall use reasonable best efforts to cause its Representatives to provide, reasonable cooperation in connection with the arrangement of the Debt Financing as may be reasonably requested by the Purchaser and that is necessary, customary or advisable in connection with the Purchaser’s efforts to obtain the Debt Financing (provided, that such requested cooperation does not unreasonably interfere with the ongoing operations of the Acquired Companies or the Sellers), including: (i) participation in meetings, rating agency presentations and due diligence sessions and furnishing the Purchaser and its financing sources with the financial information regarding the Acquired Companies that is required to be delivered pursuant to any debt commitment letters; (ii) assisting the Purchaser and its financing sources in the preparation of (A) materials for any bank financing and similar documents in connection with any of the Debt Financing and (B) materials for rating agency presentations; (iii) facilitating customary due diligence; (iv) using commercially reasonable efforts to obtain from the Company’s auditors such accountants’ comfort letters and reports as may be reasonably requested by the Purchaser and the consent of such auditors to the use of their reports in any materials relating to the Debt Financing; and (v) using commercially reasonable efforts to obtain such consents, legal opinions, surveys and title insurance as reasonably requested by the



Purchaser; provided, that no Acquired Company shall be required to pay any commitment or other similar fee or incur any other Liability in connection with the Debt Financing prior to the Closing for which it is not reimbursed by the Purchaser.

(b) Reimbursement; Indemnification. The Purchaser shall, promptly upon the written request of the Parent, reimburse the Sellers and the Acquired Companies for all reasonable and documented out-of-pocket third-party costs and expenses incurred by the Sellers and the Acquired Companies or any of their Representatives in connection with the cooperation provided for in Section 6.08(a) (such reimbursement to be made promptly and in any event within three Business Days of delivery of reasonably acceptable documentation evidencing such cost and expenses) and shall indemnify and hold harmless the Sellers and the Acquired Companies and their Representatives from and against any and all Losses suffered or incurred by them in connection with the arrangement of the Debt Financing and any information utilized in connection therewith (other than information provided by the Sellers and the Acquired Companies). All nonpublic or otherwise confidential information regarding the Sellers and the Acquired Companies or any of their Affiliates obtained by the Purchaser or its Representatives pursuant to this Section 6.08 shall, unless otherwise agreed in writing by the Sellers and the Company, be kept confidential in accordance with the Confidentiality Agreement and Section 6.04.

#### SECTION 6.09 Privileged Matters; Conflicts Waiver.

(a) The Purchaser, on behalf of itself and its Affiliates (including the Acquired Companies following the Closing) (collectively, the “Purchaser Related Parties”), hereby waives, and agrees not to allege, any claim that Shearman & Sterling LLP or Covington & Burling LLP has a conflict of interest or is otherwise prohibited from representing the Sellers or any of their Representatives (“Seller Related Parties”) in any post-Closing matter or dispute with any of the Purchaser Related Parties related to or involving this Agreement (including the negotiation hereof) or the transactions contemplated hereby, even though the interests of one or more of the Seller Related Parties in such matter or dispute may be directly adverse to the interests of one or more of the Purchaser Related Parties and even though Shearman & Sterling LLP or Covington & Burling LLP may have represented one or more of the Acquired Companies in a matter substantially related to such matter or dispute.

(b) The Purchaser, on behalf of itself and all other Purchaser Related Parties acknowledges and agrees that each of the Acquired Companies’ attorney-client privilege, attorney work-product protection and expectation of client confidence involving any proposed sale of the Acquired Companies or any other transaction contemplated by this Agreement (but not general business matters of any of the Acquired Companies, to the extent they are governed by Section 6.09(c)), and all information and documents covered by such privilege, protection or expectation shall be retained and controlled by the Sellers and their Affiliates, and may be waived only by the Sellers. The Purchaser and the Sellers acknowledge and agree that (i) the foregoing attorney-client privilege, work product protection and expectation of client confidence shall not be controlled, owned, used, waived or claimed by the Purchaser or by any of the Acquired Companies upon consummation of the Closing; and (ii) in the event of a dispute between the Purchaser or any of the Acquired Companies, on the one hand, and a third party, on the other hand, or any other circumstance in which a third party requests or demands that any of

the Acquired Companies produce privileged materials or attorney work-product of the Sellers or their Affiliates, the Purchaser shall cause, at the Parent's expense, the Acquired Companies to assert such attorney-client privilege on behalf of the Sellers or their Affiliates to prevent disclosure of privileged materials or attorney work-product to such third party.

(c) The Purchaser and the Sellers acknowledge and agree that the attorney-client privilege, attorney work-product protection and expectation of client confidence involving general business matters of any of the Acquired Companies and arising prior to the Closing for the benefit of both the Sellers and their Affiliates, on the one hand, and the Acquired Companies, on the other hand, shall be subject to a joint privilege and protection between such parties, which parties shall have equal right to assert all such joint privilege and protection and no such joint privilege or protection may be waived by (i) the Sellers or their Affiliates without the prior written consent of the Purchaser; or (ii) by any of the Acquired Companies without the prior written consent of the Seller; provided, however, that any such privileged materials or protected attorney-work product information, whether arising prior to or after the Closing Date, with respect to any matter for which a party has an indemnification obligation hereunder, shall be subject to the sole control of such party, which shall be solely entitled to control the assertion or waiver of the privilege or protection, whether or not such information is in the possession of or under the control of such party; provided further, that, if there is a Third Party Claim pursuant to Article X and the Indemnified Party is controlling such Third Party Claim pursuant to Section 10.05(b), then such Indemnified Party shall have the sole right to control the assertion or waiver of the privilege or protection with respect to information reasonably necessary to defend the Third Party Claim.

(d) This Section 6.09 is for the benefit of the Sellers, the Seller Related Parties, Shearman & Sterling LLP and Covington & Burling LLP, and the Seller Related Parties and Shearman & Sterling LLP and Covington & Burling LLP are express third-party beneficiaries of this Section 6.09. This Section 6.09 shall be irrevocable, and no term of this Section 6.09 may be amended, waived or modified, except in accordance with Section 12.07 or Section 12.08, as the case may be, and with the prior written consent of Shearman & Sterling LLP and Covington & Burling LLP and the Seller Related Party affected thereby. This Section 6.09 shall survive the Closing and shall remain in effect indefinitely.

**SECTION 6.10**      Termination of Intercompany Agreements. Prior to the Closing (a) the Sellers shall take, or cause to be taken, such action and make, or cause to be made, such payments as may be necessary so that as of the Closing Date there shall be no Intercompany Agreements or intercompany obligations between an Acquired Company, on the one hand, and the Sellers or any of their Affiliates (other than any of the Acquired Companies), on the other hand (including, without limitation, the agreements listed on Section 4.21(a) of the Disclosure Schedule), in each case other than pursuant to this Agreement or the Escrow Agreement, and (b) Sellers shall cause the Company to take such actions as are necessary such that no Acquired Company shall owe any Indebtedness to any other Acquired Company or Acquired Companies, without any adverse effect on any Acquired Company.

**SECTION 6.11**      Title Commitments; Surveys. The Purchaser may obtain, at its sole option and expense, (a) commitments for owner's and lender's title insurance policies on the Owned Real Property and commitments for lessee's and lender's title insurance policies for



all Leased Real Property (collectively, the “Title Commitments”), and (b) an ALTA survey on each parcel of Real Property (the “Surveys”); provided, however, that the Company shall provide the Purchaser with any existing Title Commitments and Surveys in its possession. The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring good, marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Real Property contemplated above for such amount as the Purchaser directs. The Company shall reasonably cooperate with the Purchaser in obtaining such Title Commitments and Surveys, provided that neither the Sellers nor any Acquired Company shall be required to incur any cost, expense or other liability in connection therewith. If the Title Commitments or Surveys reveal any Encumbrance on the title other than Permitted Encumbrances, the Purchaser shall notify the Company in writing of such objectionable matter as soon as the Purchaser becomes aware that such matter is not a Permitted Encumbrance, and the Company agrees to use commercially reasonable efforts to remove such objectionable matter as required pursuant to the terms of this Agreement.

SECTION 6.12      Further Action; Non-Governmental Consents.

(a)      Upon the terms and subject to the conditions of this Agreement, at all times prior to the Closing, each of the Parties shall, and shall cause their respective Affiliates to, use commercially reasonable efforts to take, or cause to be taken, all appropriate actions and to do, or cause to be done all things necessary, proper or advisable under applicable Law, and to execute and deliver any additional instruments reasonably necessary to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement.

(b)      Each of the Parties shall, and shall cause their respective Affiliates to, use commercially reasonable efforts to obtain the consents, approvals and authorizations set forth on Section 6.12(b) of the Disclosure Schedule; provided, that neither the Sellers nor, prior to Closing, any of the Acquired Companies shall be required to compensate any third party, commence or participate in litigation or offer or grant any accommodation (financial or otherwise) to any third party to obtain any such consent or approval; provided, further, that, other than as set forth on Section 9.03(c), the obtaining of any such consents shall not be deemed to be conditions to the obligations of the Parties to consummate the transactions contemplated hereby. Each of the Parties shall, and shall cause their respective Affiliates to, provide reasonable assistance to each other Party in obtaining such consents, including (subject to applicable confidentiality restrictions) providing such financial and other information as shall be reasonably requested by such third parties.

(c)      Upon the terms and subject to the conditions of this Agreement, if the Incentive Auction Proceeds are received by the applicable Acquired Esteem Companies after the Closing then the Purchaser shall pay, or cause to be paid, promptly upon receipt of such Incentive Auction Proceeds, the Univision Fee by wire transfer of immediately available funds to an account or accounts designated in writing by Univision Stations Corporate Inc. (or its authorized designee).

SECTION 6.13      Directors’ and Officers’ Indemnification.

(a) The Purchaser agrees that (i) the Governing Documents of the Acquired Companies after the Closing shall contain provisions with respect to indemnification, exculpation from liability and advancement of expenses that are at least as favorable to the beneficiaries of such provisions as those provisions that are set forth in the Governing Documents of the Acquired Companies on the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six years following the Closing in any manner that would adversely affect the rights thereunder of the Persons who at or prior to the Closing were directors, managers or officers of any Acquired Companies except to the extent that such modification is required by Law and (ii) all rights to indemnification as provided in any indemnification agreements between any Acquired Company, on the one hand, and any current or former directors, managers or officers of any Acquired Company, on the other hand, as in effect as of the date hereof with respect to matters occurring at or prior to the Closing shall survive the Closing.

(b) Prior to the Closing, the Company shall, purchase or cause to be purchased a non-cancellable extension of the directors' and officers' liability coverage of the Company's existing directors' and officers' insurance policies and the Company's existing fiduciary liability insurance policies (collectively, "D&O Tail Policy"), which shall (i) be for a claims reporting or discovery period of at least six years from and after the Closing with respect to any claim related to any period of time at or prior to the Closing, (ii) be from the Company's current insurance carrier with respect to such coverage or an insurance carrier with the same or better credit rating and (iii) have terms, conditions, retentions and limits of liability that are no less favorable than the coverage provided under the Company's existing insurance coverage with respect to any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or any matter claimed against the beneficiaries thereof by reason of their having served in such capacity that existed or occurred at or prior to the Closing (including in connection with this Agreement or the transactions or actions contemplated hereby).

(c) If the Purchaser or any Acquired Company (i) consolidates with or merges into any other Person and is not the continuing or surviving entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, the Purchaser shall ensure that proper provision shall be made so that such continuing or surviving entity or transferee of such assets, as the case may be, assumes the obligations set forth in this Section 6.13. This Section 6.13 is intended to benefit any individual referenced in this Section 6.13 or indemnified hereunder (and his or her respective heirs, successors and assigns), each of whom may enforce the provisions of this Section 6.13 (whether or not he or she is a party to this Agreement).

**SECTION 6.14**      Non-Solicitation. For a period of 24 months from the Closing Date, the Restricted Parties shall not directly or indirectly, on their own behalf or on behalf of any other Person, hire or make an offer to hire or solicit, entice, encourage or intentionally influence (or attempt to do any of the foregoing) for employment (whether as an employee, director, member, owner, agent, consultant or otherwise) any Continuing Employee employed immediately prior to the Closing; provided, that the Restricted Parties shall not be precluded from soliciting or hiring, or taking any other action with respect to, any such Person who (a) has been terminated by the Purchaser or its Affiliates prior to commencement of employment discussions between any Restricted Party and such Person, (b) responds to a general

or public solicitation (including by a *bona fide* search firm) not targeted at individual prospective employees, consultants or independent contractors of the Purchaser or any of its Affiliates (including the Business and Esteem) or (c) initiates discussions regarding such employment without any solicitation or other encouragement by any of the Restricted Parties in violation of this Agreement.

SECTION 6.15      Non-Competition. For a period of 24 months commencing on the Closing Date (the “Restricted Period”), the Sellers shall cause Diamond Castle Partners 2014 AIV (Bonten), L.P., Diamond Castle Partners 2014 AIV (Bonten-A), L.P., and DCP 2014 Deal Leaders Fund, L.P. (collectively, “Diamond Castle”) not to (a) engage in the Restricted Business in the United States; (b) have an interest in any Person that engages in the Restricted Business in the United States; or (c) intentionally interfere in any material respect with the business relationships (whether formed prior to or after the date of this Agreement) between the Acquired Companies or Purchaser (including its controlled Affiliates) and customers or suppliers of Acquired Companies or Purchaser (including its controlled Affiliates). Notwithstanding the foregoing, Diamond Castle may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Diamond Castle is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

SECTION 6.16      No Negotiation. From and after the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with its terms, neither the Sellers, the Acquired Companies nor any Person acting on their behalf shall, directly or indirectly, (i) solicit, initiate or respond to discussions or engage in negotiations with any Person or take any other action intended or designed to facilitate the efforts of any Person, other than Purchaser, relating to the possible acquisition, recapitalization or other business combination involving an Acquired Company (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or its capital stock or assets (with any such efforts by any such Person, including a firm proposal to make such an acquisition, to be referred to as “Takeover Proposal”), (ii) provide non-public information with respect to any Acquired Company to any Person, other than Purchaser and its Representatives, the Company’s Representatives, the Stations’ networks and other program suppliers (as needed to fulfill the Stations’ reporting requirements to such parties), or as needed in the Company’s conduct of negotiations for programming or retransmission consent agreements; or (iii) enter into an agreement, or a letter of intent or term sheet, with any Person, other than Purchaser, providing for a possible Takeover Proposal. If the Sellers or an Acquired Company receives any offer or proposal relating to a Takeover Proposal, the Sellers shall immediately notify Purchaser thereof, including the material terms of such offer or proposal (including the identity of the party making the offer), as the case may be. The Company shall immediately cease and cause to be terminated any activities, discussions, or negotiations conducted before the date of this Agreement with any Person other than Purchaser with respect to any Takeover Proposal.

SECTION 6.17      Cooperation in Litigation. The Purchaser and the Sellers shall (and shall cause their respective Subsidiaries to) reasonably cooperate with each other at the requesting Party’s expense in the prosecution or defense of any claim, litigation or other proceeding arising from or related to the conduct of the Business and involving one or more third parties. The Party requesting such cooperation shall pay the reasonable out-of-pocket expenses

incurred in providing such cooperation (including reasonable legal fees and disbursements) by the Party providing such cooperation and by its Affiliates and its and their officers, directors, employees and agents.

SECTION 6.18      Assigned Contracts. Prior to or at the Closing, each Contract set forth on Section 6.18 of the Disclosure Schedule to which the Parent is a party or is otherwise bound (a “Parent Contract”) shall be assigned in whole or in part (subject to Section 6.12(a) and (b)), amended, partitioned, retained or otherwise addressed in a manner reasonably acceptable to the Parties. The Parties acknowledge and agree that: (i) each Party shall use its commercially reasonable efforts to take, or cause to be taken, all actions and use its commercially reasonable efforts to do, or cause to be done, and assist and cooperate with the other Party in doing, all things reasonably necessary, proper or advisable to obtain such assignment or amendment of any such Parent Contract, (ii) the Parent shall consider in good faith all comments made by the Purchaser on, and consult with the Purchaser prior to, making any material decision or taking any material action relating to any of the Parent Contracts; and (iii) following the Closing, with respect to any Parent Contract which was intended to be, but has not been, so assigned the Sellers shall, consistent with any contractual obligation or any applicable legal or fiduciary obligation under applicable Law, use reasonable best efforts to cooperate in a mutually agreeable arrangement under which the Sellers, on the one hand, and the Purchaser (or one or more of its Affiliates) on the other hand, would, in compliance with applicable Law, obtain the benefits and assume the obligations and bear the economic burdens under such Parent Contract.

SECTION 6.19      Tower Repairs. The Acquired Companies, at their expense, will use commercially reasonable efforts to make all repairs or replacements identified on the tower inspections performed at the direction of the Purchaser, not later than 15 Business Days after the date hereto, on all towers owned by an Acquired Company to the extent that the Parties reasonably agree that the Company would be in breach of the representation in Section 4.19(b) as a result of the failure to make such repairs or replacements to the towers. Any such repairs or replacements shall be completed at industry standards as reasonably determined by the Parties and if any such agreed repairs or replacements are not completed by Closing, the Company shall continue to have the obligation to complete such repairs or replacements at the Parent’s expense.

SECTION 6.20      Corporate Assets. In the event the Purchaser or any Acquired Company receives any amounts from any third party in respect of any current assets that were excluded from the definition of Current Assets pursuant to clause (ii) thereof, such amounts shall be promptly paid to the Seller.

## **ARTICLE VII EMPLOYEE MATTERS**

SECTION 7.01      Continuation of Employment.

(a) At or prior to the closing, the Acquired Companies shall terminate the employment of the Non-Retained Employees. The employment relationship of the remaining Business Employees as of the Closing (the “Continuing Employees”) shall continue with the Purchaser or its Affiliates (including the Acquired Companies, as applicable) as of the Closing.

(b) Except as otherwise provided in an employment agreement or any other contractual agreement between a Continuing Employee and an Acquired Company, as of the Closing Date, the Purchaser agrees to employ or cause another of its Affiliates to employ the Continuing Employees and to provide each Continuing Employee with employee benefits, compensation and severance that are no less favorable to the employee benefits, compensation and severance provided to similarly situated employees of Purchaser, provided that, except to the extent included in determining the Closing Date Working Capital Amount, Purchaser shall not be obligated to provide credit for past accrued but unused time with respect to sick, personal or vacation leave. To the extent permitted by Law and notwithstanding anything herein to the contrary, the Purchaser shall give Continuing Employees full credit for purposes of eligibility waiting periods and vesting and benefit accrual (other than benefit accrual under a defined benefit pension plan) under the employee benefit plans or arrangements or severance practices maintained by the Purchaser or its Affiliates in which such Continuing Employees participate for such Continuing Employees' service with the Acquired Companies.

(c) The Purchaser and its relevant Affiliates shall be responsible for any and all Losses and Liabilities arising on or after the Closing with respect to the Continuing Employees' employment or termination of employment, or the terms and conditions of employment offered by the Purchaser to the Continuing Employees, in each case including (i) any statutory and non-statutory severance obligations, and any other termination payment obligations owed to the Continuing Employees arising or accruing on or after the Closing whether pursuant to an agreement, plan, practice or policy, or applicable Law; (ii) Losses or Liabilities incurred on account of the Purchaser's failure to offer comparable employment to the Continuing Employees; and (iii) Losses or Liabilities incurred under the Worker Adjustment and Retraining Notification Act or any other applicable Law.

(d) Prior to the Closing Date, Sellers and Acquired Companies will take the actions set forth on Section 7.01(d) of the Disclosure Schedule with respect to the termination of certain Company Plans (or assets relating thereto) maintained or sponsored by Sellers, the Acquired Companies or any of their respective Affiliates, in each case to become effective immediately prior to the Closing Date.

SECTION 7.02      Notifications. The Sellers and the Purchaser and their respective Affiliates shall cooperate in good faith to determine whether any information, consultation and notification may be required under any worker notification Laws applicable to any Business Employees or employee representative bodies (if any) arising in connection with the transactions contemplated by this Agreement and shall honor their respective obligations resulting therefrom. The Purchaser and its Affiliates shall assume all obligations and Liabilities for the provision of notice or payment in lieu of notice or any applicable penalties with respect to the Continuing Employees under such worker notification Laws arising as a result of actions taken by the Purchaser and its Affiliates after the Closing. The Sellers shall retain or assume all obligations and Liabilities for the provision of notice or payment in lieu of notice or any applicable penalties with respect to the Continuing Employees under such worker notification Laws arising as a result of actions taken by the Sellers on or prior to the Closing.

SECTION 7.03      Continuation Coverage. Purchaser will cause its group health plan or the group health plan of its Affiliate to offer COBRA continuation coverage to



Non-Retained Employees of the Acquired Companies to the extent required by Treas. Reg. §54.4980B-9 Q&A 8(b). The Sellers shall indemnify and reimburse the Purchaser (or its Affiliate designated by Purchaser) for the actual cost of benefits provided to such Non-Retained Employees who elect COBRA continuation coverage under Purchaser's or its Affiliate's group health plan to the extent the actual costs of benefits provided to or on behalf of such persons (with costs of benefits based on claims incurred by such Non-Retained Employees and including an allocable share of administrative plan costs and stop loss insurance or similar costs) exceeds the premiums collected from such Non-Retained Employees. Purchaser shall provide a report of the total amount of such premiums collected and cost of benefits on a regular basis as soon as practical following the Closing. Such indemnification and reimbursement claims shall be treated as indemnifiable Losses under Article X. To the extent such reimbursable claim is incurred after the Final Release Date, the Sellers shall reimburse Purchaser or its Affiliate within thirty (30) days of the date the report of amounts due is provided to Sellers.

SECTION 7.04      No Third Party Beneficiaries. Nothing expressed or implied in this Article VII or in the Disclosure Schedule or Exhibits, Annexes or Schedules referred hereby shall confer upon any of the Business Employees or Esteem Employees or any other Person any additional rights or remedies, including any additional right to employment, or continued employment for any specified period, of any nature or kind whatsoever under or by reason of this Agreement. Notwithstanding anything herein to the contrary, no provision of this Agreement is intended to, or does, constitute the establishment or adoption of, or amendment to, any employee benefit plan (within the meaning of Section 3(3) of ERISA or otherwise) of the Sellers, their Affiliates, an Acquired Company or the Purchaser, and no person participating in any such employee benefit plan maintained by the Sellers, their Affiliates, an Acquired Company or the Purchaser shall have any claim or cause of action, under ERISA or otherwise, in respect of any provision of this Agreement as it relates to any such employee benefit plan or otherwise.

## **ARTICLE VIII TAX MATTERS**

### SECTION 8.01      Tax Indemnities.

(a)      Subject to the limitations set forth in this Article VIII, Section 10.04(b), Section 10.06 and Section 10.07 that by their terms apply to this Article VIII or this Section 8.01(a), from and after the Closing, the Parent agrees to indemnify and hold harmless the Purchaser Indemnified Parties from and against all Losses arising out of, or related to, Excluded Taxes; provided, that Excluded Taxes shall exclude (and the Parent shall not be required to indemnify the Purchaser against): (i) any Tax to the extent that such Tax was reflected as a Current Liability on the Final Closing Statement, (ii) any Tax to the extent that such Tax is attributable to income with respect to which an election was made under Section 108(i) of the Code, but only to the extent such cancellation of indebtedness income does not exceed \$6,172,119 in each of (x) the taxable period of the Acquired Companies beginning January 1, 2017 and (y) the immediately succeeding taxable period of the Acquired Companies, (iii) any Taxes imposed on Eastern upon the receipt of the Incentive Auction Proceeds after the Closing, (iv) any Tax imposed on the Acquired Companies or Acquired Esteem Companies for any Post-Closing Period, except to the extent such Tax arises out of or relates to a breach of the representations and warranties contained in Section 4.18(h) (for the avoidance of doubt, subject

to clause (ii) above), Section 4.18(i) or Section 4.18(k), (v) any Taxes which arise from any action or transaction taken outside of the ordinary course of business by the Purchaser or any of its Affiliates on the Closing Date after the Closing, (vi) any Taxes arising out of or resulting from any breach of any covenant or agreement of the Purchaser contained in Section 8.03(a), Section 8.04 or Section 8.07 to the extent such breach actually prejudices the Parent, (vii) any Taxes resulting from an actual or deemed election under Section 338 of the Code (or any analogous provision under U.S. state, local, or non-U.S. tax law) made with respect to the transactions contemplated by this Agreement by Purchaser or any of its Affiliates after the Closing, (viii) any Conveyance Taxes for which the Purchaser is responsible, as provided under Section 8.06, and (ix) any Taxes arising out of or resulting from any of the Acquired Companies or Acquired Esteem Companies taking any actions pursuant to a request of the Purchaser under Section 2.09(d), Section 8.05(b) or Section 8.11(a).

(b) In the case of any Tax that is payable with respect to a Straddle Period, the portion of such Tax that is allocable to the portion of such Straddle Period ending on the Closing Date shall, for purposes of this Agreement, be:

(i) in the case of any Tax that is either (A) based upon or related to income or receipts or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), deemed equal to the amount of such Tax which would be payable with respect to the portion of such Straddle Period ending on the Closing Date based on an interim closing of the books as of the end of the Closing Date; provided, that, for purposes of this Agreement, any deduction permitted to be taken for U.S. federal income tax purposes as a result of the payment, accrual or incurrence of any Option Payment, Residual Option Payment or other Company Transaction Expense shall be allocable to the Pre-Closing Period, regardless of whether such amounts were paid or accrued prior to, or after, the Closing; and

(ii) in the case of any other Tax, deemed to be the amount of such Tax that is payable with respect to the entire Straddle Period multiplied by a fraction (A) the numerator of which is the number of days from the beginning of such Straddle Period to (and including) the Closing Date and (B) the denominator of which is the number of days in the entire Straddle Period. Any credit or refund resulting from an overpayment of Taxes for a Straddle Period shall, for purposes of this Agreement, be allocated between the pre-Closing and post-Closing portions of such Straddle Period based upon the principles described above, taking into account the type of Tax to which the refund relates.

(c) Payment by the Parent of any amount due under this Section 8.01 shall be made within 10 days following written notice by the Purchaser that such amount is required to be paid to the appropriate Taxing Authority (taking into account, in the case of any Contest, any ability to defer the payment of the amount in dispute until the resolution of the Contest).

## SECTION 8.02 Tax Refunds; Tax Benefits; and Timing Adjustments.

(a) Any Tax refund of or credit for Excluded Taxes (including any interest paid or credited by a Taxing Authority with respect thereto, but net of any reasonable out-of-pocket costs (including Taxes) incurred by the Purchaser or any of its Affiliates (including the Acquired Companies) or any Acquired Esteem Company attributable to such refund or credit), which refund or credit (i) is not reflected as a Current Asset on the Final Closing Statement, (ii) is not attributable to, and does not result from, a carry back or other use of any item of loss, deduction, credit or other similar item arising in a Post-Closing Period), and (iii) does not relate to a “minimum tax credit” (within the meaning of Section 53 of the Code) shall (x) if received by the Purchaser or any of its Affiliates (including the Acquired Companies) or any Acquired Esteem Company prior to the Indemnity End Date, be paid over promptly to the Parent, and (y) if received by the Purchaser or any of its Affiliates (including the Acquired Companies) on or after the Indemnity End Date, reduce dollar-for-dollar Parent’s subsequent indemnification obligations under Section 8.01. The Purchaser shall, if the Parent so requests, and at the Parent’s expense, cause the Purchaser, the Acquired Company or other relevant Person to file for, and use its commercially reasonable efforts to obtain and expedite, the receipt of any refund to which the Parent is entitled under this Section 8.02(a); provided, that the Parent shall indemnify the Purchaser for any Losses incurred in complying with any such request, and the Purchaser shall have no obligation to comply with any such request with respect to a refund that would be reasonably likely to result in a net payment to the Parent pursuant to this Section 8.02 of less than \$50,000. To the extent any refund or credit that was paid to the Parent is subsequently disallowed or required to be returned to the applicable Taxing Authority, the Parent shall promptly pay such amount to the Purchaser.

(b) Any amount otherwise payable by the Parent under Section 8.01 shall be reduced by any cash Tax savings actually realized by the Purchaser or any of its Affiliates in the taxable year such payment is made or any preceding taxable year as a result of (i) the accrual, payment, or incurrence of the Taxes giving rise to the claim for indemnification or (ii) a Tax adjustment that has the effect of actually reducing the amount of cash Taxes otherwise payable by the Purchaser or any of its Affiliate (such as by moving an item of income, loss or a Tax asset between a Pre-Closing Period, on one hand, and a Post-Closing Period, on the other hand). Cash Tax savings will be considered to be actually realized for purposes of this Section 8.02(b) at the time that the applicable Tax Return is filed on which such reduction in Tax is reflected. In computing the amount of any cash Tax savings actually realized, the Purchaser and its Affiliates shall be deemed to take into account all other items of income, gain, loss, deduction or credit before taking into account any items arising from the accrual, payment, or incurrence of the Taxes giving rise to the claim for indemnification.

### SECTION 8.03 Contests.

(a) After the Closing, the Purchaser shall promptly notify the Parent in writing of the proposed assessment or the commencement of any Tax audit or administrative or judicial proceeding or of any demand or claim on the Purchaser, its Affiliates, any of the Acquired Companies or any of the Acquired Esteem Companies which, if not contested by or if determined adversely to the taxpayer, would result in an indemnification obligation by the Parent under Section 8.01 (a “Contest”). Such notice shall contain factual information (to the extent known to the Purchaser, its Affiliates, any of the Acquired Company or an Acquired



Esteem Company) describing the asserted Tax liability in reasonable detail and shall include copies of any notice or other document received from any Taxing Authority in respect of any such asserted Tax liability. If the Purchaser fails to give the Parent prompt notice of an asserted Tax liability as required by this Section 8.03(a), then the Parent shall not have any obligation to indemnify for any loss arising out of such asserted Tax liability, but only to the extent that the Parent is actually prejudiced by such failure.

(b) In the case of a Contest that relates to a Pre-Closing Period (including a Straddle Period), for so long as each of (x) the amount of the Excluded Taxes at issue in such Contest, and (y) the amount remaining in the Escrow Fund (less the aggregate amount claimed in good faith by the Purchaser Indemnified Parties pursuant to indemnification claims made in accordance with this Agreement and not fully resolved) is an amount equal to or greater than 50% of the aggregate amount of Taxes at issue in such Contest, the Parent shall have the sole right to control the conduct of such Contest; provided, that (i) the Parent shall provide the Purchaser a timely and reasonably detailed summary of each phase of such Contest, (ii) the Purchaser may participate, at its own expense, in such Contest and (iii) if the settlement or compromise of any asserted liability would be expected to increase the Taxes (other than Excluded Taxes) of the Purchaser or any of its Affiliates (including the Acquired Companies) by more than \$25,000 in aggregate, the Parent may not settle or compromise any asserted liability relating to such Contest without the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed). If the Parent elects to direct a Contest, the Parent shall, within 20 days of receipt of the notice of asserted Tax liability, notify the Purchaser of its intent to do so.

(c) With respect to any Contest not directed by the Parent, (i) the Purchaser shall keep the Parent reasonably informed regarding such Contest, (ii) the Parent may participate, at its own expense, in such Contest, and (iii) none of the Purchaser, any of the Acquired Companies or any of the Acquired Esteem Companies may settle or compromise any asserted liability relating to such Contest without the prior written consent of the Parent (not to be unreasonably withheld, conditioned or delayed).

(d) Notwithstanding anything to the contrary in this Agreement, this Section 8.03 shall control with respect to any Contest.

#### SECTION 8.04 Preparation of Tax Returns.

(a) The Parent shall prepare (or cause to be prepared) all Tax Returns relating to an Acquired Company or an Acquired Esteem Company for any taxable period ending on or before the Closing Date. Such Tax Returns shall be prepared in accordance with applicable Law and on a basis consistent with those prepared for prior taxable periods, unless a different treatment of any item is required by an intervening change in Law. The Parent shall pay to such Acquired Company or such Acquired Esteem Company at least 2 Business Days prior to the due date for any such Tax Return (taking into account extensions thereof) any Excluded Taxes shown as due and payable on such Tax Return, and such Acquired Company or Acquired Esteem Company shall timely file or cause to be filed such Tax Return. Except as otherwise provided in Section 8.08, the Parent shall provide the Purchaser with a completed draft of any such Tax Return at least 15 days prior to the due

date (including any extension thereof) for filing of such Tax Return, and the Parent shall consider in good faith any comments made by the Purchaser.

(b) The Purchaser shall prepare and timely file (or cause to be prepared and timely filed) all Tax Returns that relate to an Acquired Company or an Acquired Esteem Company for Post-Closing Periods and Straddle Periods, it being understood that all Taxes shown as due and payable on such Tax Returns shall be the responsibility of the Purchaser, except to the extent such Taxes are Excluded Taxes. Such Tax Returns shall be prepared in accordance with applicable Law and on a basis consistent with those prepared for prior taxable periods, unless a different treatment of any item is required by an intervening change in Law. With respect to any Tax Return required to be filed with respect to an Acquired Company or Acquired Esteem Company for a Straddle Period, the Purchaser shall use commercially reasonable efforts to provide the Parent with a copy of such completed Tax Return and a statement (with respect to which the Purchaser will make available supporting schedules and information) certifying the amount of Excluded Taxes shown on such Tax Return at least 20 days prior to the due date (including any extension thereof) for filing of such Tax Return, and shall consider in good faith any comments made by the Parent with respect to such Tax Return. The Parent shall pay to the Purchaser at least 2 Business Days prior to the due date for any Tax Return described in this Section 8.04(b) (taking into account extensions thereof) any Excluded Taxes shown as due and payable on such Tax Return.

(c) Except with respect to the Final Tax Return, which shall be governed by Section 8.08, the Parent shall have no right under this Section 8.04 to prepare or review any Tax Return after the Indemnity End Date.

#### SECTION 8.05 Tax Cooperation and Exchange of Information.

(a) The Sellers and the Purchaser shall provide each other with such cooperation and information as either of them reasonably may request of the other (and the Purchaser shall cause the Acquired Companies to provide such cooperation and information) in filing any Tax Return, amended Tax Return or claim for refund, determining a liability for Taxes or a right to a refund of Taxes, participating in or conducting any audit or other proceeding in respect of Taxes, or preparing the NOL Reduction Amount Worksheet or Spectrum Adjustment Amount Worksheet pursuant to Section 8.08. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with related work papers and documents relating to rulings or other determinations by taxing authorities. The Sellers and the Purchaser shall make themselves (and their respective employees) reasonably available on a mutually convenient basis to provide explanations of any documents or information provided under this Section 8.05. Notwithstanding anything to the contrary in Section 6.03, each of the Sellers, the Acquired Companies, the Acquired Esteem Companies and the Purchaser shall retain all Tax Returns, work papers and all material records or other documents in its possession (or in the possession of its Affiliates) relating to Tax matters of the Acquired Companies and the Acquired Esteem Companies for any taxable period that includes the date of the Closing and for all prior taxable periods until the later of (i) the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions or (ii) six years following the due date (without extension) for such Tax Returns. Any information obtained under this Section 8.05 shall be kept confidential, except as may be

otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(b) Notwithstanding anything to the contrary contained in this Agreement, the Acquired Companies and the Acquired Esteem Companies shall, and the Sellers shall cause the Acquired Companies and Acquired Esteem Companies to, use commercially reasonable efforts to take any action requested by the Purchaser in connection with enabling the transactions contemplated by this Agreement and/or the Esteem Purchase Agreement to qualify in whole or in part as a like-kind exchange under Section 1031 or as part of a Section 1033 involuntary conversion; provided, that the Purchaser shall, at its sole expense, prepare all documentation and engage all legal counsel and other advisors to effectuate any action described in this Section 8.05(b) that are necessary for the applicable Acquired Company or Acquired Esteem Company to take any of the actions under this Section 8.05(b); provided, further, that no Acquired Company or Acquired Esteem Company shall be required to take any action under this Section 8.05(b) that would require such Acquired Company or Acquired Esteem Company to recognize income or gain for U.S. federal income tax purposes. Regardless of whether the Closing occurs, the Purchaser shall indemnify and hold harmless the Seller Indemnified Parties from and against any Losses (including, for the avoidance of doubt, any Taxes and reasonable out-of-pocket costs and expenses) incurred or suffered by or asserted against any of them relating to or arising out of any actions taken pursuant to a request of the Purchaser under this Section 8.05(b). Notwithstanding anything to the contrary contained in this Agreement, the Purchaser Indemnified Parties shall have no right to indemnification hereunder for any Losses relating to or arising out of any actions taken pursuant to a request of the Purchaser under this Section 8.05(b).

SECTION 8.06 Conveyance Taxes. Any Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with this Agreement and the transactions contemplated hereby (other than the Broadcast Incentive Auction) shall be borne fifty percent (50%) by the Sellers and fifty percent (50%) by the Purchaser. The party required by Law to do so will file all necessary Tax Returns and other documentation with respect to such Conveyance Taxes, and the other parties will, and will cause their Affiliates to, reasonably cooperate in connection with the preparation and filing of any such Tax Returns. Notwithstanding anything to the contrary in this Section 8.06, (a) the Sellers shall be liable for, shall hold the Purchaser, the Acquired Companies, the Acquired Esteem Companies and their Affiliates harmless against, and agree to pay any and all Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with the Broadcast Incentive Auction and (b) the Purchaser shall be liable for, shall hold the Sellers and their respective Affiliates harmless against, and agree to pay any and all Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with, any actions taken pursuant to a request of the Purchaser under Section 2.09(d), Section 8.05(b) or Section 8.11(a).

SECTION 8.07 Tax Covenants. Prior to the Indemnity End Date, neither the Purchaser nor any Affiliate of the Purchaser shall (a) amend, refile or otherwise modify, or cause or permit any of the Acquired Companies or Acquired Esteem Companies to amend, refile or otherwise modify, any Tax election or Tax Return with respect to any Pre-Closing Period, (b) file a Tax Return of any of the Acquired Companies for a Pre-Closing Period in a jurisdiction where such Acquired Company or Acquired Esteem Company has not previously filed a Tax Return, (c) grant an extension of any applicable statute of limitations with respect to a Tax

Return of any Acquired Company or Acquired Esteem Company for a Pre-Closing Period, (d) enter into any voluntary disclosure Tax program, agreement or arrangement with any Taxing Authority that relates to the Taxes of any of the Acquired Companies or Acquired Esteem Companies, or (e) make any election with respect to any Acquired Company or Acquired Esteem Company (including any election pursuant to Regulations Section 301.7701-3 or Section 338), which election would be effective on or prior to the Closing Date, in each case, without the prior written consent of the Parent, which consent (i) in the case of the actions described in clauses (a), (d) and (e) of this Section 8.07 may be withheld in the Parent's sole discretion and (ii) in the case of the actions described in clauses (b) and (c) of this Section 8.07, shall not be unreasonably withheld, conditioned or delayed.

**SECTION 8.08    Calculation of the NOL Reduction Amount, Spectrum Adjustment Amount and Basis Shortfall Amount.**

(a)     If the Incentive Auction Proceeds are received by Eastern prior to the Closing:

(i)     At the same time the Company delivers the Estimated Closing Statement to the Purchaser, the Parent shall deliver to the Purchaser, together with reasonably detailed supporting information, a written statement that sets forth the Parent's good faith estimate (the "Estimated NOL Reduction Amount" and the "Estimated Basis Shortfall Amount") of the amounts referred to as the "NOL Reduction Amount" and the "Basis Shortfall Amount" on Section 8.08(a) of the Disclosure Schedule (the "NOL Reduction Amount Worksheet"). To determine the Estimated NOL Reduction Amount and the Estimated Basis Shortfall Amount, the Parent shall insert in the NOL Reduction Amount Worksheet the Parent's good faith estimate of the Pre-Closing Operating Taxable Income Amount, the Transaction Tax Deduction Amount, the Incentive Auction Proceeds and the Aggregate Post-Closing Basis Amount (the "Variable Inputs").

(ii)    The Parent shall prepare and deliver to the Purchaser, within 120 days after the Closing Date, a draft of the NOL Reduction Amount Worksheet based on the Parent's determination of the Variable Inputs (taking into account the Transaction Tax Deduction Amount up to, and including, the date that the NOL Reduction Amount Worksheet is delivered to the Purchaser and increasing Transaction Tax Deduction Amount by any deductions that may arise as a result of any payments in respect of a Company Option pursuant to the last sentence of this Section 8.08(a)(ii)) and the Aggregate Post-Closing Basis Amount, together with reasonably detailed supporting information and a draft of the Company's U.S. federal consolidated income tax return for the taxable period ending on the Closing Date (the "Final Tax Return"). Notwithstanding anything to the contrary herein, the Parent shall prepare its draft of the Final Tax Return in a manner consistent with Parent's determination of the Variable Inputs and the Aggregate Post-Closing Basis Amount. If, within 15 days following such delivery, the Purchaser notifies the Parent in writing that it disputes any aspect of the Parent's draft of the NOL Reduction Amount Worksheet or the Final Tax Return, the Parent and the Purchaser shall cooperate in good faith to resolve such dispute; provided, that if the Purchaser fails to so notify the Parent within such 15 day period, the NOL Reduction

Amount Worksheet and the Final Tax Return shall be considered final and binding on the Parent and the Purchaser. Should the Parent and the Purchaser fail to reach an agreement within 15 days after the Purchaser notifies the Parent of such dispute, such dispute shall be resolved by the Neutral Accountant. The determination of the Neutral Accountant shall be final and binding upon the Parent and the Purchaser. All costs and fees of the Neutral Accountant shall be allocated between the Purchaser, on the one hand, and the Parent, on the other hand, in the same manner as Accounting Fees, using the allocation principles in Section 2.06(d)(vi). The amounts referred to as the “NOL Reduction Amount” and the “Basis Shortfall Amount” on the NOL Reduction Amount Worksheet as finally determined in accordance with this Section 8.08(a)(ii) shall be the “Final NOL Reduction Amount” and the “Final Basis Shortfall Amount,” respectively. No more than 5 days after the final determination of the NOL Reduction Amount Worksheet pursuant to this Section 8.08(a)(ii), either (i) the Parent shall pay to the Purchaser (in immediately available funds by wire transfer to a bank account designated in writing by the Purchaser) an amount equal to the excess, if any, of (A) the Final NOL Reduction Amount plus the Final Basis Shortfall Amount over (B) the Estimated NOL Reduction Amount plus the Estimated Basis Shortfall Amount or (ii) the Purchaser shall pay to each Stockholder (in immediately available funds by wire transfer to a bank account designated in writing by each such Stockholder) an amount equal to such Person’s Stockholder Interest in the excess, if any, of (x) the Estimated NOL Reduction Amount plus the Estimated Basis Shortfall Amount over (y) the Final NOL Reduction Amount plus the Final Basis Shortfall Amount. If the Purchaser makes any payment to a Stockholder in respect of any Company Options pursuant to part (ii) of the immediately preceding sentence, the Purchaser shall pay to the Parent an amount equal to the Company Option Tax Payment Amount with respect to such release.

(b) If the Incentive Auction Proceeds are not received by Eastern prior to the Closing:

(i) At the same time the Company delivers the Estimated Closing Statement to the Purchaser, the Parent shall deliver to the Purchaser, together with reasonably detailed supporting information, the Estimated Basis Shortfall Amount and a written statement that sets forth the Parent’s good faith estimate (the “Estimated Spectrum Adjustment Amount”) of the amounts referred to as the “Spectrum Adjustment Amount” and the “Basis Shortfall Amount” on Section 8.08(b) of the Disclosure Schedule (the “Spectrum Adjustment Amount Worksheet”). To determine the Estimated Spectrum Adjustment Amount and the Estimated Basis Shortfall Amount, the Parent shall insert in the Spectrum Adjustment Amount Worksheet the Parent’s good faith estimate of the Variable Inputs.

(ii) The Parent shall prepare and deliver to the Purchaser, within 120 days after the Closing Date, a draft of the Spectrum Adjustment Amount Worksheet based on the Parent’s determination of the Variable Inputs, together with reasonably detailed supporting information and a draft of the Final Tax Return. Notwithstanding anything to the contrary herein, the Parent shall prepare its draft of the Final Tax Return in a manner consistent with Parent’s determination of the Variable Inputs and the Aggregate Post-Closing Basis Amount and the Aggregate Post-Closing Basis Amount.



If, within 15 days following such delivery, the Purchaser notifies the Parent in writing that it disputes any aspect of the Parent's draft of the Spectrum Adjustment Amount Worksheet or the Final Tax Return, the Parent and the Purchaser shall cooperate in good faith to resolve such dispute; provided, that if the Purchaser fails to so notify the Parent within such 15 day period, the Spectrum Adjustment Amount Worksheet and the Final Tax Return shall be considered final and binding on the Parent and the Purchaser. Should the Parent and the Purchaser fail to reach an agreement within 15 after the Purchaser notifies the Parent of such dispute, such dispute shall be resolved by the Neutral Accountant. The determination of the Neutral Accountant shall be final and binding upon the Parent and the Purchaser. All costs and fees of the Neutral Accountant shall be allocated between the Purchaser, on the one hand, and the Parent, on the other hand, in the same manner as Accounting Fees, using the allocation principles in Section 2.06(d)(vi). The amounts referred to as the "Spectrum Adjustment Amount" and the "Basis Shortfall Amount" on the Spectrum Adjustment Amount Worksheet as finally determined in accordance with this Section 8.08(b)(ii) shall be the "Final Spectrum Adjustment Amount" and the "Final Basis Shortfall Amount," respectively. No more than 5 days after the final determination of the Spectrum Adjustment Amount Worksheet pursuant to this Section 8.08(b)(ii), either (i) the Purchaser shall pay to each Stockholder (in immediately available funds by wire transfer to a bank account designated in writing by each such Stockholder) an amount equal to such Person's Stockholder Interest in the excess, if any, of (A) the Final Spectrum Adjustment Amount minus the Final Basis Shortfall Amount over (B) the Estimated Spectrum Adjustment Amount minus the Estimated Basis Shortfall Amount or (ii) the Parent shall pay to the Purchaser (in immediately available funds by wire transfer to a bank account designated in writing by the Purchaser) an amount equal to the excess, if any, of (x) the Estimated Spectrum Adjustment Amount minus the Estimated Basis Shortfall Amount over (y) the Final Spectrum Adjustment Amount minus the Final Basis Shortfall Amount. If the Purchaser makes any payment to a Stockholder in respect of any Company Options pursuant to part (i) of the immediately preceding sentence, the Purchaser shall pay to the Parent an amount equal to the Company Option Tax Payment Amount with respect to such release.

#### SECTION 8.09 Miscellaneous.

(a) For U.S. federal income tax purposes, the Parties agree to treat all payments made under this Article VIII and Article X as adjustments to the purchase price or as capital contributions, except as otherwise required by Law.

(b) Payments by the Sellers under this Article VIII shall be limited to the amount of any liability or damage that remains after deducting therefrom any indemnity, contribution or other similar payment recoverable by the Purchaser, the Company or any of the Acquired Subsidiaries or any Affiliates of Purchaser from any third party with respect thereto.

SECTION 8.10 Withholding Taxes. Each of the Purchaser and the Company shall be entitled to deduct and withhold from any payment made by it pursuant to this Agreement such amounts as are required by Law to be deducted and withheld from such payment. To the extent an amount is so deducted and withheld, the amount withheld shall be remitted to the

appropriate Taxing Authority in accordance with applicable Law and shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. Provided that the Purchaser receives (a) the certifications described in Section 2.04(k) and (b) properly executed IRS Forms W-9 from each of the Sellers on the Closing Date, the Purchaser represents that it has no knowledge as of the date hereof of any required deduction or withholding from any non-compensatory amount otherwise payable to any Person pursuant to this Agreement. The Purchaser and the Company shall use commercially reasonable efforts to provide prior written notice in the event the Purchaser or the Company determines that withholding is required with respect to a non-compensatory amount payable pursuant to this Agreement for a reason other than a failure to properly execute or deliver a certification described in Section 2.04(k) or an IRS Form W-9.

#### SECTION 8.11 Pre-Closing Actions.

(a) Notwithstanding anything to the contrary contained in this Agreement, the Acquired Companies and the Acquired Esteem Companies shall use commercially reasonable efforts to take any of the actions described on Section 8.11 of the Disclosure Schedule if requested by the Purchaser prior to the Closing; provided, that the Purchaser shall, at its sole expense, prepare all documentation and engage all legal counsel and other advisors to effectuate such actions that are necessary for the applicable Acquired Company or Acquired Esteem Company to take any of the actions described on Section 8.11 of the Disclosure Schedule.

(b) Regardless of whether the Closing occurs, the Purchaser shall indemnify and hold harmless the Seller Indemnified Parties from and against any Losses (including, for the avoidance of doubt, any Taxes and reasonable out-of-pocket costs and expenses) incurred or suffered by or asserted against any of them relating to or arising out of any actions taken pursuant to a request of the Purchaser under Section 8.11(a).

(c) Notwithstanding anything to the contrary contained in this Agreement, the Purchaser Indemnified Parties shall have no right to indemnification hereunder for any Losses relating to or arising out of any actions taken pursuant to a request of the Purchaser under Section 8.11(a).

### ARTICLE IX CONDITIONS TO CLOSING

SECTION 9.01 Conditions to Each Party's Obligations. The respective obligations of the Parties to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions (any or all of which may be waived by written waiver of the Parties, to the extent permitted by applicable Law):

(a) Governmental Approvals. (i) Any waiting period (and any extension thereof) under the HSR Act relating to the transactions contemplated by this Agreement shall have expired or shall have been terminated and (ii) the FCC Consent shall have been granted and shall be in full force and effect.

(b) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order (whether temporary, preliminary or permanent) that has the effect of making the transactions contemplated by this Agreement or the Escrow Agreement illegal or otherwise restraining or prohibiting the consummation of such transactions.

(c) Esteem Purchase Agreement. Each of the conditions to closing set forth in the Esteem Purchase Agreement shall have been duly satisfied or waived, other than payment by the Esteem Buyer of the Esteem Purchase Price (as defined in the Esteem Purchase Agreement).

SECTION 9.02 Conditions to Obligations of the Sellers and the Company. The obligations of the Sellers and the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of the Purchaser contained in this Agreement (disregarding all qualifications set forth therein relating to “materiality”) shall be true and correct in all respects as of the Closing (except for those representations and warranties that are made as of a specified date, which shall have been true and correct as of such specified date), except where the failure of such representations and warranties to be so true and correct would not materially or adversely affect the ability of the Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Escrow Agreement, and (ii) the covenants, obligations and agreements contained in this Agreement to be performed or complied with by the Purchaser on or before the Closing shall have been performed or complied with in all material respects.

(b) Closing Deliverables. The Parent (on behalf of the Sellers) shall have received the deliverables set forth in Section 2.05.

SECTION 9.03 Conditions to Obligations of the Purchaser. The obligations of the Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants of the Sellers. (i)(A) The representations and warranties contained in Section 3.01, Section 3.02 and Section 3.03 shall be true and correct in all material respects as of the Closing Date, and (B) each of the other representations and warranties contained in Article III (disregarding all qualifications set forth therein relating to “materiality”) shall be true and correct as of the Closing Date (except to the extent such representations and warranties are, by their terms, made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date), except where the failure of such representations and warranties to be true and correct would not materially and adversely affect the respective ability of the Sellers to carry out their obligations under, and to consummate the transactions contemplated by, this Agreement; and (ii) the covenants, obligations and agreements contained in this Agreement to be performed or complied



with by the Sellers on or before the Closing shall have been performed or complied with in all material respects.

(b) Representations, Warranties and Covenants of the Company. (i)(A) The representations and warranties contained in Section 4.01 and Section 4.02 shall be true and correct in all material respects as of the Closing Date and (B) each of the other representations and warranties contained in Article IV (disregarding all qualifications set forth therein relating to “materiality” or “Material Adverse Effect”) shall be true and correct as of the Closing Date (except to the extent such representations and warranties are, by their terms, made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect; and (ii) the covenants, obligations and agreements contained in this Agreement to be performed or complied with by the Company on or before the Closing shall have been performed or complied with in all material respects.

(c) Required Consents. The consents and approvals set forth on Section 9.03(c) of the Disclosure Schedule shall have been obtained by the Parent and delivered to the Purchaser and shall be in full force and effect.

(d) Closing Deliverables. The Purchaser shall have received the deliverables set forth in Section 2.04.

(e) Esteem Agreements. The agreements set forth on Annex E and the option agreements set forth on Section 9.03(e) of the Disclosure Schedule shall remain in full force and effect in the forms provided to the Purchaser prior to the date hereof, without any modifications thereto or waiver of any rights set forth therein, except as set forth on Section 9.03(e) of the Disclosure Schedule.

## **ARTICLE X INDEMNIFICATION**

**SECTION 10.01** Survival of Representations and Warranties. The representations and warranties of the Parties contained in this Agreement shall survive the Closing for a period of 12 months after the Closing; provided, however, that the representations and warranties in Section 3.01, Section 3.02, Section 3.03, Section 4.01, Section 4.02, Section 4.23 and Section 5.01 shall survive indefinitely, and the representations and warranties in Section 4.12, Section 4.16, Section 4.18 and Section 5.02 shall survive until the expiration of the applicable statute of limitations plus 60 days. The representations and warranties of the parties to the Esteem Purchase Agreement shall survive the Closing for a period of 12 months after the Closing; provided, however, that the representations and warranties in Section 3.01, Section 3.02, Section 3.03, Section 4.01, Section 4.02, Section 4.05, Section 5.01 and Section 5.02 of the Esteem Purchase Agreement shall survive indefinitely, and the representations and warranties in Section 3.14 and Section 3.18, of the Esteem Purchase Agreement shall survive until the expiration of the applicable statute of limitations plus 60 days. The covenants or agreements contained in this Agreement and the Esteem Purchase Agreement shall survive the Closing until fully performed or satisfied. If a party seeking to be indemnified makes a claim in accordance

with the applicable provisions of Section 10.05 within the time periods set forth in this Section 10.01, such claim shall survive until it is finally and fully resolved.

SECTION 10.02 Indemnification by the Parent. From and after the Closing Date, the Purchaser and its Affiliates and their respective officers, directors, employees, agents, successors and assigns (each, a “Purchaser Indemnified Party”) shall be indemnified and held harmless by the Parent from and against all losses, damages, Taxes, costs and expenses (including attorneys’ fees), interest, awards, judgments and penalties actually suffered or incurred by them (hereinafter, a “Loss”), to the extent arising out of or resulting from:

- (a) the breach of any representation or warranty contained in Article III and Article IV (other than a representation or warranty with respect to Taxes, which shall be indemnifiable under Section 8.01(a));
- (b) the breach of any covenant or agreement by the Sellers or, prior to the Closing, the Company contained in this Agreement;
- (c) the matters described in Section 8.01(a), to the extent set forth therein;
- (d) the matters described in Section 7.03, to the extent set forth therein;
- (e) fines or other liabilities related to any FCC matters required to be set forth on Section 4.22 of the Disclosure Schedule or any Losses which Purchaser incurs as a result of accepting liability for any Action by the FCC relating to any period prior to the Closing Date;
- (f) litigation relating to matters required to be set forth on Section 4.09 of the Disclosure Schedule;
- (g) the matters set forth on Section 10.02(g) of the Disclosure Schedule;
- (h) the ownership and operation of the Business, the Acquired Companies, the Esteem Business and Acquired Esteem Companies prior to Closing;
- (i) the breach of any representation or warranty contained in Article III and Article IV of the Esteem Purchase Agreement (other than a representation or warranty with respect to Taxes, which shall be indemnifiable under Section 8.01(a)); and
- (j) the breach of any covenant or agreement by the Esteem Seller or, prior to the Closing, Esteem contained in the Esteem Purchase Agreement.

Subject to the limitations set forth herein, the Parent shall be liable for any indemnification under this Article X except for any indemnification in respect of a breach of any representation or warranty contained in Article III for which the Sellers shall be severally but not jointly liable.

SECTION 10.03 Indemnification by the Purchaser. From and after the Closing Date, the Sellers and their Affiliates, officers, directors, employees, agents, successors

and assigns (each, a “Seller Indemnified Party”) shall be indemnified and held harmless by the Purchaser (or any other Affiliate of the Purchaser that owns all or substantially all of the Business) from and against any and all Losses, to the extent arising out of or resulting from (a) the breach of any representation or warranty contained in Article V of this Agreement or in Article V of the Esteem Purchase Agreement; (b) the breach of any covenant or agreement by the Purchaser contained in this Agreement or by the Esteem Buyer in the Esteem Purchase Agreement; (c) taking any actions in order to comply with Section 2.09(d); or (d) any actions taken pursuant to a request of the Purchaser under Section 8.05(b) or Section 8.11, including any liabilities of a Seller Indemnified Party with respect to Taxes arising therefrom.

#### SECTION 10.04      Limits on Indemnification.

(a) From and after the Closing Date, no claim may be asserted nor may any Action be commenced against a Party for breach of any representation, warranty, covenant or agreement contained herein, unless written notice of such claim or action is received by such Party in accordance with the applicable provisions of Section 10.05 on or prior to the date on which the representation, warranty, covenant or agreement on which such claim or Action is based ceases to survive as set forth in Section 10.01.

(b) Notwithstanding anything to the contrary contained in this Agreement: (i) an Indemnifying Party shall not be liable for any claim for indemnification pursuant to Section 10.02(a) (other than with respect to a breach of an applicable Fundamental Representation (but excluding the representations and warranties contained in Section 4.12 and Section 4.16) or Section 10.02(i) (other than with respect to a breach of an applicable Fundamental Representation, but excluding the representations and warranties contained in Section 3.14 of the Esteem Purchase Agreement), or Section 10.03(a) (other than with respect to a breach of an applicable Fundamental Representation), unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party equals or exceeds \$600,000, after which the Indemnifying Party shall be liable only for those Losses in excess of \$600,000; and (ii) the maximum aggregate amount of indemnifiable Losses which may be recovered from an Indemnifying Party arising out of or resulting from the causes set forth in Section 10.02(a) (other than with respect to a breach of an applicable Fundamental Representation) or Section 10.02(i) (other than with respect to a breach of an applicable Fundamental Representation) shall be an amount equal to \$18,000,000. The maximum aggregate amount of indemnifiable Losses which may be recovered from an Indemnifying Party with respect to any breach of a Fundamental Representation or any provision of Section 8.01, Section 10.02 (other than subsections (a) or (h)) or Section 10.03 (other than subsection (a)) shall be an amount equal to the Purchase Price (excluding any amounts received in respect of the Incentive Auction Proceeds), as such amount may be adjusted following the Closing in accordance with Section 2.06. There shall be no limitation on recovery for any claim for fraud.

(c) Notwithstanding anything to the contrary contained in this Agreement, after the Closing, none of the Parties or their respective Affiliates shall have any liability under any provision of this Agreement for any punitive, incidental, consequential, special or indirect damages, including loss of future profits, revenue or income, diminution in value or loss of business reputation or opportunity or any damages based on any type of multiple relating to the breach or alleged breach of this Agreement; provided, however, that an Indemnified Party may

assert a claim for indemnification under Section 10.02 or Section 10.03, as applicable, for any such Losses in respect of such damages (i) paid to a third party in respect of a Third Party Claim pursuant to a settlement agreement entered into, or a Governmental Order entered, in each case resolving such Third Party Claim in accordance with the terms of this Article X or (ii) only to the extent such damages are a reasonably foreseeable consequence of any breach of this Agreement.

(d) For all purposes of this Article X, “Losses” shall be net of (i) any recovery or benefit (including insurance and indemnification) payable to the Indemnified Party or any of its Affiliates in connection with the facts giving rise to the right of indemnification and, if the Indemnified Party or any of its Affiliates receives such recovery or benefit after receipt of payment from the Indemnifying Party, then the amount of such recovery or benefit, net of reasonable expenses incurred in obtaining such recovery or benefit and any resulting increases in insurance premiums directly attributable to such recovery or benefit, shall be paid to the Indemnifying Party and (ii) any cash Tax savings arising as a result of accrual, incurrence or payment of such Loss that are actually realized by the Indemnified Party or any of its Affiliates in the taxable year the indemnification payment related to such Loss is made under this Article X or any preceding taxable year. In computing the amount of any Tax benefit actually realized by the Indemnified Party or its Affiliates, such Person shall be deemed to take into account all other items of income, gain, loss, deduction or credit before taking into account any item arising from such indemnification payment. For purposes of determining the amount of Losses pursuant to Section 10.02(a), Section 10.02(i) and Section 10.03, no effect shall be given to any materiality, Material Adverse Effect or similar qualification contained or incorporated directly or indirectly in such representation or warranty for purposes of determining Losses.

(e) Each Indemnified Party shall use commercially reasonable efforts to collect any amounts available under applicable insurance policies, or from any other Person alleged to be responsible, for any damages payable under Section 10.02 or Section 10.03, as applicable; provided, that in no event shall this Section 10.04(e) require any party to institute an Action against any Person.

(f) Each Party agrees to exercise its commercially reasonable efforts to mitigate any Losses in respect of any pending or threatened Third Party Claim; provided, however, that no Party shall be required to use such efforts if they would be demonstrably detrimental in any material respect to such Party. In the event that an Indemnified Party shall fail to make such efforts to mitigate such Losses, then, notwithstanding anything to the contrary in this Agreement, the Indemnifying Party shall not be required to indemnify such Indemnified Party or any other Indemnified Party to the extent of any Losses that reasonably could have been avoided if such Indemnified Party or other Indemnified Party had made such efforts. No Party shall be entitled to any payment, adjustment or indemnification more than once with respect to the same Loss. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any Loss that is reflected in the Final Closing Statement as a Current Liability, no Purchaser Indemnified Party shall be entitled to any indemnification or any other payment with respect to such matter.

(g) Subject to Section 10.04(b) and Section 10.04(h), recourse by the Purchaser Indemnified Parties against the Escrow Fund shall be Purchaser Indemnified Parties’ sole and exclusive remedy under this Agreement in respect of the indemnification obligations of

the Parent for the matters referred to in Section 10.02(a) (other than with respect to a breach of any respective Seller Fundamental Representation or Company Fundamental Representation) and Section 10.02(i) (other than with respect to a breach of any respective Esteem Fundamental Representation). Notwithstanding the foregoing sentence, subject to the limitations on liability set forth in Section 10.04(b), any Purchaser Indemnified Party shall first, pursuant to any claim for indemnification brought in accordance with the provisions of this Article X, seek to recover all the Losses that such Purchaser Indemnified Party incurred or sustained, and is entitled to, against the amounts then available in the Escrow Fund and the Special Tax Escrow Fund (as the case may be).

(h) Claims for amounts due to the Purchaser pursuant to Section 8.01(a) or Section 8.08(b) shall be made (i) first against the Special Tax Escrow Fund, (ii) after the Special Tax Escrow Fund has been exhausted, against the Escrow Fund and (iii) after the Escrow Fund has been exhausted, against the Parent. The procedures for making claims against the Special Tax Escrow Fund and the Escrow Fund shall be set forth in the Escrow Agreement.

#### SECTION 10.05      Notice of Loss; Third Party Claims.

(a) An Indemnified Party shall give the Indemnifying Party written notice in reasonable detail of any matter which an Indemnified Party has determined has given or is reasonably likely to give rise to a right of indemnification under this Agreement, within 30 days of such determination, including all facts and circumstances that give rise to such right of indemnification, the amount of the Loss, if known, and the method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises.

(b) If an Indemnified Party shall receive notice of any Action, audit, claim, demand or assessment (each, a “Third Party Claim”) against it which may give rise to a claim for Loss under this Article X, within 30 days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim; provided, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article X except to the extent that the Indemnifying Party is prejudiced by such failure. The Indemnifying Party shall be entitled to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice if it (1) acknowledges its obligations to indemnify the Indemnified Party with respect to all aspects of the Third Party Claim and (2) gives notice of its intention to do so to the Indemnified Party within 15 days of the receipt of such notice from the Indemnified Party, provided that the Indemnifying Party shall not be entitled to assume control of the defense of any Third Party claim if (i) the Third Party Claim seeks injunctive relief or other equitable remedies against any Indemnified Party, (ii) the Third Party Claim is criminal in nature and would reasonably be expected to lead to criminal proceedings, (iii) it could be reasonably expected that the Third Party Claim could result in a Loss in excess of the amount then in the Escrow Fund, (iv) the Third Party Claim was brought by a Governmental Authority or any customer of any Acquired Company or the Purchaser or its Affiliates, and such Third Party Claim would reasonably be expected to materially and adversely affect a material customer or supplier relationship of Acquired Company, the Purchaser or its Affiliates, or (v) there is, in the written opinion of outside counsel of the Indemnified Party, a material conflict of interest between the Indemnified Party and the Indemnifying Party in the

conduct of such defense. If the Indemnifying Party elects to undertake any such defense against a Third Party Claim, the Indemnified Party may participate in such defense at its own expense. The Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party elects to direct the defense of any such claim or proceeding, (i) the Indemnifying Party shall not, without the prior written consent of the Indemnified Party, enter into any settlement or compromise or consent to the entry of any judgment with respect to such Third Party Claim if such settlement, compromise or judgment (A) involves a finding or admission of wrongdoing by the Indemnified Party or any of its Affiliates, (B) does not include an unconditional written release by the claimant or plaintiff of the Indemnified Party and its Affiliates from all liability in respect of such Third Party Claim or (C) imposes equitable remedies or any obligation on the Indemnified Party or any of its Affiliates other than solely the payment of money damages for which the Indemnified Party will be indemnified hereunder and (ii) the Indemnified Party shall not pay, or permit to be paid, any part of such Third Party Claim unless the Indemnified Party consents in writing to such payment or unless the Indemnifying Party withdraws from the defense of such Third Party Claim liability or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party is entered against the Indemnified Party for such Third Party Claim. If the Indemnified Party assumes the defense of any such claims or proceeding pursuant to this Section 10.05 and proposes to settle such claims or proceeding prior to a final judgment thereon or to forgo any appeal with respect thereto, then the Indemnified Party shall give the Indemnifying Party prompt written notice thereof and the Indemnifying Party shall have the right to participate in the settlement or assume or reassume the defense of such claims or proceeding.

SECTION 10.06      Exclusive Remedies. The Parties acknowledge and agree that, if the Closing occurs, the indemnification provisions of Article VIII and this Article X shall be the sole and exclusive remedies for any breach of the representations or warranties or nonperformance of or default under any covenants or agreements contained in this Agreement or the Esteem Purchase Agreement; provided, however, that (a) except as provided in Section 11.04, nothing contained in this Agreement or the Esteem Purchase Agreement shall relieve or limit the liability of any party thereto for Losses arising out of or resulting from such party's fraud in connection with the transactions contemplated by this Agreement or the Esteem Purchase Agreement or limit the availability of equitable relief, including specific performance, to the extent provided for in this Agreement or the Esteem Purchase Agreement, and (b) no breach of any representation, warranty, covenant or agreement contained herein or in the Esteem Purchase Agreement shall give rise to any right on the part of the Purchaser or the Sellers, after the consummation of the transactions contemplated by this Agreement, to rescind this Agreement or the Esteem Purchase Agreement or any of the transactions contemplated hereby and thereby.

SECTION 10.07      Escrow.

(a) In connection with the Closing hereunder, the Escrow Agent shall retain the Escrow Amount and the Special Tax Escrow Amount, and the Purchaser, the Parent and the Escrow Agent shall enter into the Escrow Agreement in connection therewith, and the Purchaser



and the Parent shall each submit an IRS Form W-9, each with its respective federal taxpayer identification number, to the Escrow Agent.

(b) On the 12 month anniversary of the Closing Date (the “Final Release Date”), all remaining funds in (i) the Escrow Fund (minus (x) the aggregate amount claimed by the Purchaser Indemnified Parties pursuant to claims made in accordance with this Agreement and not fully resolved prior to such date and (y) the Tax Reserve Amount (which, in each case and for the avoidance of doubt, shall exclude any duplicative amount to the extent an amount is being held in the Special Tax Escrow Fund with respect to the same claim) and (ii) the Special Tax Escrow Fund (minus the aggregate amount claimed by either the Purchaser or the Parent pursuant to Section 8.01(a) or Section 8.08 of this Agreement and not fully resolved prior to such date) shall be released to the Parent in accordance with the terms of the Escrow Agreement, and each of the Purchaser and the Parent shall deliver to the Escrow Agent irrevocable instructions to release such funds. At any time following the Final Release Date and the settlement or other final resolution of (i) any indemnification claims that were made prior to, but not finally resolved by, the Final Release Date or (ii) indemnification claims with respect to Taxes that were included in the Tax Reserve Amount, to the extent the amounts remaining in the Escrow Fund and the Special Tax Escrow Fund exceed the aggregate amount claimed by the Indemnified Parties pursuant to the unresolved claims made prior to the Final Release Date or included in the Tax Reserve Amount, each of the Purchaser and the Parent shall deliver to the Escrow Agent irrevocable instructions to release such excess amounts in the Escrow Fund and Special Tax Escrow Fund promptly to the Stockholders in accordance with the terms of the Escrow Agreement (subject to Section 2.07(c), as applicable). If (i) a Purchaser Indemnified Party has not received a written proposed assessment from a Taxing Authority in respect of a Tax that was reflected in the Tax Reserve Amount by the 12 month anniversary of the Final Release Date or (ii) a Contest with respect to a Tax that was reflected in the Tax Reserve Amount has not otherwise commenced by the 12 month anniversary of the Final Release Date, each of the Purchaser and the Parent shall deliver to the Escrow Agent irrevocable instructions to release the portion of the Tax Reserve Amount properly attributable such Tax promptly to the Stockholders in accordance with the terms of the Escrow Agreement (subject to Section 2.07(c), as applicable). Notwithstanding the foregoing, in the event that Eastern has not received the Incentive Auction Proceeds prior to the Final Release Date then the Escrow Fund shall not be released until the receipt of the Incentive Auction Proceeds by Eastern; provided that, after the Final Release Date, the Purchaser Indemnified Parties shall not be entitled to make any claim against the Escrow Fund other than any such claim related to the Incentive Auction Proceeds, including any claims related thereto pursuant to Section 8.08(b).

(c) If, prior to the Final Release Date, the Purchaser reasonably believes that it is more likely than not that a Purchaser Indemnified Party will suffer or incur a Loss arising out of or related to any Excluded Taxes under Section 8.01, the Purchaser shall give the Parent written notice in reasonable detail of the basis for such reasonable belief and the estimated amount of the Loss (including the method of computation thereof). If, within 15 days following the Purchaser’s delivery of such notice to the Parent, the Parent notifies the Purchaser in writing that it disputes either (i) whether it is more likely than not that the Purchaser Indemnified Party will suffer or incur a Loss arising out of or related to Excluded Taxes or (ii) the estimated amount of such Loss, the Parent and the Purchaser shall cooperate in good faith to resolve such dispute; provided, that if the Parent fails to so notify the Purchaser within such 15 day period, the

Parent shall be deemed to have agreed that it is more likely than not that the applicable Purchaser Indemnified Party will suffer or incur a Loss arising out of or related to any Excluded Taxes and have agreed to the estimated amount of such Loss. Should the Parent and the Purchaser fail to reach an agreement as to (i) whether it is more likely than not that the Purchaser Indemnified Party will suffer or incur a Loss arising out of or related to Excluded Taxes or (ii) the estimated amount of such Loss, the Parent and the Purchaser shall cooperate in good faith to resolve such dispute, in each case, within 15 days after the Parent notifies the Purchaser of such dispute, such dispute shall be resolved by the Neutral Accountant. The determination of the Neutral Accountant shall be final and binding upon the Parent and the Purchaser. All costs and fees of the Neutral Accountant shall be allocated between the Purchaser, on the one hand, and the Parent, on the other hand, in the same manner as Accounting Fees, using the allocation principles in Section 2.06(d)(vi). The estimated amount of such Loss, if any, as determined pursuant to this Section 10.07(c), shall be the “Tax Reserve Amount”.

(d) Any distributions from the Escrow Fund or the Special Tax Escrow Fund shall be made pursuant to and in accordance with the terms of the Escrow Agreement.

(e) On any date on which funds are released to the Parent pursuant to Section 10.07(b), the Purchaser shall pay to the Parent an amount equal to the Residual Option Tax Payment Amount with respect to such release.

## **ARTICLE XI TERMINATION, AMENDMENT AND WAIVER**

SECTION 11.01      Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by either the Sellers or the Purchaser if the Closing shall not have occurred on or before twelve (12) months from the date hereof (as modified by Section 11.01(a) of the Disclosure Schedule, as applicable, the “Outside Date”); provided, that the right to terminate this Agreement under this Section 11.01(a) shall not be available to any Party whose breach, failure to fulfil or comply with any obligation or covenant under this Agreement shall have been the proximate cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Outside Date;

(b) by either the Purchaser or the Sellers in the event that any Governmental Order restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement shall have become final and nonappealable;

(c) by the Sellers if the Purchaser shall have breached any of its representations, warranties, covenants or other agreements contained in this Agreement which would give rise to the failure of a condition set forth in Section 9.02(a), which breach (x) cannot be cured by the Outside Date or (y) if capable of being cured by the Outside Date, shall not have been cured by the earlier of the Outside Date and 30 days after the giving of written notice by the Parent to the Purchaser specifying such breach; provided, however, that any failure of the Purchaser to pay the Purchase Price for any reason if, as and when required to be paid hereunder



shall be deemed to be a breach of this Agreement by the Purchaser that is incapable of cure if not cured within five (5) Business Days after notice of such breach is given by Seller;

(d) by the Purchaser if the Sellers or the Company shall have breached any of their respective representations, warranties, covenants or other agreements contained in this Agreement which would give rise to the failure of a condition set forth in Section 9.03(a) or Section 9.03(b), which breach (x) cannot be cured by the Outside Date or (y) if capable of being cured by the Outside Date, shall not have been cured within by the earlier of the Outside Date and 30 days after the giving of written notice by the Purchaser to the Parent specifying such breach;

(e) by the mutual written consent of the Sellers and the Purchaser; or

(f) by either the Purchaser or the Sellers if, prior to the Outside Date, (i) the Purchaser or its Affiliates enters into any Contract or any letter of intent, agreement in principle, option agreement or other similar agreement to effect an Alternative Transaction or Local Station Purchase, and (ii) each of the Purchaser's and Sellers' outside regulatory counsel reasonably believe that the FCC Consent will not be obtained or will be delayed past the Outside Date as a result of the pendency of such Alternative Transaction or Local Station Purchase.

SECTION 11.02 Effect of Termination. In the event of termination of this Agreement as provided in Section 11.01, this Agreement shall forthwith become void and there shall be no liability on the part of any Party or their respective Affiliates, directors, officers or employees except that (a) Section 6.04, Section 6.09(d), Section 11.01(f), this Section 11.02 and Article XII shall survive termination and (b) subject to the limitations contained in Section 11.03, Section 11.04 and Section 11.05, nothing herein shall relieve any Party from liability for any breach of, or default under, this Agreement occurring prior to such termination, including any intentional failure of a Party to fulfil a condition to the performance of its obligations hereunder in which case the non-breaching Party shall be entitled to all rights and remedies available at law or in equity.

SECTION 11.03 Specific Performance. The Parties acknowledge and agree that the Parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached and that any non-performance or breach of this Agreement by any Party could not be adequately compensated by monetary damages alone and that the Parties would not have any adequate remedy at law. Accordingly, in addition to any other right or remedy to which any Party may be entitled, at law or in equity (including monetary damages), such Party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement without posting any bond or other undertaking. Without limiting the generality of the foregoing, the Parties agree that the Party seeking specific performance, without proof of damages or otherwise, shall be entitled to enforce specifically (a) a Party's obligations under Section 2.09 and (b) a Party's obligation to consummate the transactions contemplated by this Agreement (including the obligation to consummate the Closing and pay the Purchase Price (as adjusted pursuant to Section 2.06)), if the conditions set forth in Article IX, as applicable, have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing)

or waived. In furtherance of the foregoing, each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (i) the other Parties have an adequate remedy at Law or (ii) an award of specific performance is not an appropriate remedy for any reason at Law or equity. In addition to the foregoing, any Party seeking a decree of specific performance or injunctive relief under this Agreement and which ultimately prevails in obtaining the same in such judicial proceeding shall be entitled to prompt payment on demand from the other Party of the reasonable attorneys' fees and costs incurred by such prevailing Party. Notwithstanding anything in this Agreement to the contrary, if the Closing occurs, Article X shall govern with respect any Losses incurred by any Indemnified Party.

#### SECTION 11.04      Liquidated Damages.

(a) If the Sellers terminate this Agreement pursuant to Section 11.01(c), then within two (2) Business Days following the delivery to the Purchaser of notice of such termination in accordance with the terms of this Agreement (the "Termination Notice"), the Purchaser shall pay to the Sellers, by wire transfer of immediately available funds to an account designated by the Sellers in writing, cash in an amount equal to \$18,000,000 (the "Liquidated Damages Amount"). In the event of such a termination, the Sellers shall, in addition, be entitled to prompt payment on demand from the Purchaser of the reasonable attorneys' fees and costs incurred by them in enforcing their rights under this Agreement. The Parties hereto expressly acknowledge and agree that (i) this Section 11.04(a) in no way limits or restricts the Sellers' right to an injunction or to exercise their rights to specific performance pursuant to Section 11.03 at any time prior to the termination of this Agreement in accordance with its terms, and (ii) the Sellers may pursue both a grant of specific performance in accordance with and subject to the terms of Section 11.03 and payment of the Liquidated Damages Amount or monetary damages (as applicable) (although under no circumstances shall the Sellers be permitted or entitled to receive both a grant of specific performance pursuant to Section 11.03 and any such payments).

(b) If the Sellers terminate this Agreement pursuant to Section 11.01(f), then the Purchaser shall pay to the Sellers within (2) Business Days following the delivery of the Termination Notice, by wire transfer of immediately available funds to an account designated by the Sellers in writing, the Liquidated Damages Amount.

(c) If the Sellers or the Purchaser terminate this Agreement pursuant to (i) Section 11.01(a), and (ii) the FCC Consent has not been obtained or granted as of such date, and (iii) following the date hereof, the Purchaser or any of its Affiliates has entered into any Contract or any letter of intent, agreement in principle, option agreement or other similar agreement to effect an Alternative Transaction or Local Station Purchase, and (iv) in connection with the foregoing clause (iii), the Purchaser or its Affiliates have not offered to effect, or failed to effect, a Station Assignment in a manner that would permit the consummation of the transactions contemplated by this Agreement, then the Purchaser shall pay to the Sellers within (2) Business Days following the delivery of the Termination Notice, by wire transfer of immediately available funds to an account designated by the Sellers in writing, the Liquidated Damages Amount.

(d) The Purchaser acknowledges and agrees that the payment of the Liquidated Damages Amount as set forth herein are an integral part of the transactions

contemplated by this Agreement and that, without these agreements, the other Parties hereto would not enter into this Agreement, shall constitute payment of liquidated damages and not a penalty and that such Liquidated Damages Amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by the Purchaser's material breach of any of its representations, warranties, covenants or other agreements or obligations or any default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy and the value of the transactions to be consummated hereunder.

SECTION 11.05      Limitation on Seller Damages. If the Purchaser terminates this Agreement pursuant to Section 11.01(c), then the aggregate amount of losses and damages for which the Sellers shall be liable to the Purchaser in the event of any breach or default by the Sellers under this Agreement that occurred prior to the date of termination shall not exceed an amount equal to the Liquidated Damages Amount.

## **ARTICLE XII GENERAL PROVISIONS**

SECTION 12.01      Expenses. Except as otherwise specified in this Agreement (including with respect to Company Transaction Expenses), all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

SECTION 12.02      Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested), or by email (upon confirmation of receipt) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 12.02):

(a)      if to the Sellers or, prior to Closing, the Company:

Bonten Media Group, LLC  
366 Madison Ave 4th Floor  
New York, NY 10017  
Facsimile:      (212) 298-9017  
Attention:      Stephen Bassford  
Email:          SBassford@dchold.com

and

Randy Bongarten  
333 W. 56th Street, 9F  
New York, NY 10019  
Facsimile:      212-949-0909

Attention: Randy Bongarten  
Email: rbongarten@bontenmedia.com

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

Shearman & Sterling LLP  
599 Lexington Avenue  
New York, NY 10022  
Facsimile: (212) 848-7179  
Attention: Stephen M. Besen  
Email: sbesen@shearman.com

(b) if to the Purchaser:

Sinclair Television Group, Inc.  
10706 Beaver Dam Road  
Hunt Valley, MD 21030  
Attention: President

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

Sinclair Television Group, Inc.  
10706 Beaver Dam Road  
Hunt Valley, MD 21030  
Attention: General Counsel

SECTION 12.03 Public Announcements. No Party shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other Parties unless otherwise required by Law or applicable stock exchange regulation, and, to the extent practicable, the Parties consult prior to the making thereof and use their best efforts to agree upon mutually satisfactory timing and contents of any such press release, public announcement or communication.

SECTION 12.04 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any of the Parties. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

SECTION 12.05 Entire Agreement. This Agreement, the Esteem Purchase Agreement (including the disclosure schedules that form part of the Esteem Purchase Agreement), the Disclosure Schedule, the Purchaser Disclosure Schedule, the Escrow Agreement

and the Confidentiality Agreement constitute the entire agreement of the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, among the Sellers and their Affiliates (including the Company) and the Purchaser with respect to the subject matter hereof and thereof except for the Confidentiality Agreement, which shall remain in full force and effect until the Closing.

SECTION 12.06      Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, but may not be assigned by operation of law or otherwise without the express written consent of the Parent and the Purchaser, as the case may be, and any attempted assignment without such consent shall be null and void; provided, however, that the Purchaser shall be entitled to assign its rights and benefits hereto, upon written notice to the Parent, to an Affiliate of the Purchaser or, in order to comply with the provisions of Section 2.09(d), Section 11.01(a) or as consented to in writing by the Parent (such consent not to be unreasonably, withheld, conditioned or delayed), any third party so long as such assignee assumes the Purchaser's rights and obligations hereunder; provided further, however, that (a) no such assignment shall limit the Purchaser's obligation, or relieve the Purchaser of any liability, hereunder or cause a release of the Purchaser's obligations hereunder, including the payment of the Purchase Price, which shall remain primary together with any such assignee, (b) no such assignment shall delay the processing of the FCC Applications, the grant of the FCC Consent, the waiting period (and any extension thereof) under the HSR Act or the Closing, in any material respects, and (c) any such assignee shall deliver to the Parent a written instrument of assumption with respect to this Agreement pursuant to which such assignee shall (i) make to the Sellers the representations and warranties contained in Article V with respect to such assignee and (ii) covenant to the Sellers to observe, satisfy, discharge and perform the covenants of the Purchaser set forth in this Agreement. In the event of any such valid assignment and delegation, the term "Purchaser" as used in this Agreement shall be deemed to refer to each such Affiliate or successor of the Purchaser and shall be deemed to include both the Purchaser and each such Affiliate or successor where appropriate.

SECTION 12.07      Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, (i) in the case of an amendment prior to the Closing, the Sellers and the Purchaser or (ii) in the case of an amendment after the Closing, the Parent and the Purchaser (b) by a waiver in accordance with Section 12.08.

SECTION 12.08      Waiver. A Party may (a) extend the time for the performance of any of the obligations or other acts of any other Party, (b) waive any inaccuracies in the representations and warranties of any other Party contained herein or in any document delivered or made available by the other Party pursuant hereto or (c) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party against whom such extension or waiver is to be effective. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of a Party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

SECTION 12.09      No Third Party Beneficiaries. Except as set forth in Section 6.09(d), Section 6.13, Section 12.13, and the provisions of Article VIII and Article X relating to Indemnified Parties, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

SECTION 12.10      Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, each of the Parties hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by either Party; (b) agrees that service of process will be validly effected by sending notice in accordance with Section 12.02; and (c) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above named courts.

SECTION 12.11      Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.11.

SECTION 12.12      Counterparts. This Agreement may be executed and delivered (including by facsimile or other means of electronic transmission, such as by electronic mail in “pdf” form) in counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

SECTION 12.13      No Recourse.



(a) Except as expressly set forth in the Confidentiality Agreement or the Escrow Agreement or as otherwise provided in applicable Law, all claims, obligations, Liabilities, or causes of action (whether at Law, in equity, in contract, in tort or otherwise) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and such representations and warranties are those solely of) the Parties that are expressly identified in the preamble to this Agreement (the “Contracting Parties”). No Person who is not a Contracting Party, including any current, former or future equity holder, incorporator, controlling person, general or limited partner, member, Affiliate, director, officer, employee, agent, consultant, representative, or assignee of, and any financial advisor or lender to, any Contracting Party, or any current, former or future equity holder, incorporator, controlling person, general or limited partner, Affiliate, director, officer, employee, agent, consultant, representative, or assignee of, and any lender to, any of the foregoing or any of their respective successors, predecessors or assigns (or any successors, predecessors or assigns of the foregoing) (collectively, the “Non-Party Affiliates”), shall have any liability (whether in Law or in equity, whether in contract or in tort or otherwise) for any claims, causes of action, obligations, or Liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as expressly set forth in the Confidentiality Agreement or the Escrow Agreement or as otherwise provided in applicable Law), including any alleged non-disclosure or misrepresentations made by any such Person or as a result of the use or reliance on any information, documents or materials made available by such Person, and, to the maximum extent permitted by Law, each Contracting Party hereby waives and releases all claims, causes of action, obligations, or Liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as expressly set forth in the Confidentiality Agreement or the Escrow Agreement) against any such Non-Party Affiliates; provided, that, for clarity, no party to the Confidentiality Agreement or the Escrow Agreement shall be deemed a Non-Party Affiliate with respect to such documents to which it is a party.

(b) Without limiting the foregoing, to the maximum extent permitted by Law, except to the extent otherwise expressly set forth in the Confidentiality Agreement or the Escrow Agreement, each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available, whether at Law, in equity, in contract, in tort or otherwise, to avoid or disregard the entity form of a Contracting Party or otherwise impose Liability of a Contracting Party on any Non-Party Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise, in each case arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as expressly set forth in the Confidentiality Agreement or the Escrow Agreement).

SECTION 12.14      Disclosure Schedule. The disclosure of any matter in the Disclosure Schedule to this Agreement shall be deemed to be a disclosure for all purposes of this

Agreement to which such matter could reasonably be expected to be pertinent based on the information contained in the Disclosure Schedule, but shall not be deemed to constitute an admission by the Parent, the Seller or any Acquired Company or to otherwise imply that any such matter is material for the purposes of this Agreement unless the inclusion of such matter in such Disclosure Schedule is specifically responsive to a requirement to disclose material matters.

*[Remainder of Page Intentionally Left Blank.]*




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

BONTEN MEDIA GROUP LLC

By: Diamond Castle Partners 2014 AIV (Bonten),  
L.P., its managing member

By: DCP 2014 GP, L.P., its general partner

By: DCP 2014 GP-GP, LLC, its  
general partner

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

Name:

Title:

RANDALL D. BONGARTEN

\_\_\_\_\_

BONTEN MEDIA GROUP HOLDINGS, INC.

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

Name:

Title:

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

BONTEN MEDIA GROUP LLC

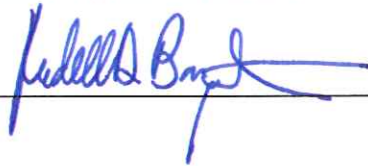
By: Diamond Castle Partners 2014 AIV (Bonten),  
L.P., its managing member

By: DCP 2014 GP, L.P., its general partner

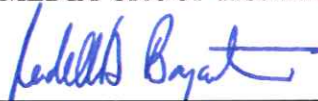
By: DCP 2014 GP-GP, LLC, its  
general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RANDALL D. BONGARTEN

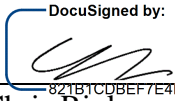
  
\_\_\_\_\_

BONTEN MEDIA GROUP HOLDINGS, INC.

By:   
Name: Randall D. Bongarten  
Title: Chairman + CEO

SINCLAIR TELEVISION GROUP INC.

By: Sinclair Broadcast Group, Inc., its sole  
stockholder

By:  DocuSigned by:  
821B1CDBEF7E4D4...  
Name: Chris Ripley  
Title: CEO