

**ASSET PURCHASE AGREEMENT**

**DATED AS OF OCTOBER 27, 2015**

**by and among**

**PAPPAS TELECASTING OF CENTRAL NEBRASKA, L.P.**

**AND**

**LINCOLN BROADCASTING, LLC**

**AND**

**PAPPAS TELECASTING OF LINCOLN, LLC  
(SELLERS)**

**AND**

**SINCLAIR TELEVISION GROUP, INC.**

**(BUYER)**

**FOR**

**TELEVISION STATIONS**

**KHGI-TV, KEARNEY, NE**

**KWNB-TV, HAYES CENTER, NE**

**KHGI-CD, NORTH PLATTE, NE**

**KHGI-LD, O'NEIL, NE**

**KWNB-LD, MCCOOK, NE**

**AND**

**KFXL-TV, LINCOLN, NE**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is dated October 27, 2015 (“Agreement Date”) by and among (i) Pappas Telecasting of Central Nebraska, L.P., a Delaware limited partnership (“PTCN”), and Lincoln Broadcasting, LLC (“LBC”), a Nebraska limited liability company and with Pappas Telecasting of Lincoln, LLC (“Lincoln OpCo”), a Delaware limited liability company, (collectively “Sellers” and each, a “Seller”), and (ii) Sinclair Television Group, Inc., a Maryland corporation, (“Buyer”). Sellers and Buyer are referred to individually as a “Party” and collectively as the “Parties.”

### **Recitals**

A. PTCN is the licensee of full power television stations KHGI-TV, Ch. 13 (Fac. ID 21160), Kearney, NE, and KWNB-TV, Ch. 6 (Fac ID 21162), Hayes Center, NE, Class A television station KHGI-CD, Ch. 27 (Fac ID 168339), North Platte, NE, and digital low power television stations KHGI-LD, Ch. 27 (FAC ID 127682), O’Neil, NE, and KWBN-LD, Ch. 29 (Fac ID 126405), McCook, NE (the “NTV Stations”) and owner of the assets used in the operation of the NTV Stations and operates such NTV Stations pursuant to certain FCC Licenses issued by the FCC. KWNB-TV is a satellite of KHGI-TV.

B. LBC is the licensee of full power television station KFXL-TV, Ch. 15 (Fac ID. 84453), Lincoln, NE (the “Lincoln Station”). Lincoln OpCo, is the sole member of KFXL Television LLC, a Delaware limited liability company which is the sole member of LBC, and is owner of the assets (other than the FCC Licenses) used in the operation of the KFXL-TV and operates KFXL-TV pursuant to certain FCC Licenses issued to LBC by the FCC. Collectively, the NTV Stations and the Lincoln Station shall be referred to as the “Stations”,

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, and subject to (i) entry of the Authorization Order and (ii) unless waived by the Buyer, the FCC Consent becoming a Final Order, Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, the Assets.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the Parties agree as follows:

### **ARTICLE I DEFINITIONS**

Section 1.1. Definitions. The following terms have the following meanings for purposes of this Agreement:

“Affiliate” means, with respect to any specified Person, any Person or member of a group of Persons acting together that, directly or indirectly, through one or more intermediaries, Controls, or is Controlled by or is under common control with, the specified Person.

“Agreement” means this Asset Purchase Agreement, together with the Schedules and Exhibits attached hereto, as the same may be amended from time to time in accordance with the terms hereof.

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

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

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Authorization Order” has the meaning set forth in Section 3.4.

“Bankruptcy Court” has the meaning set forth in Section 3.4.

“Benefit Plans” has the meaning set forth in Section 4.16(a).

“Bidding Procedures Order” has the meaning set forth in Section 3.4.

“Books and Records” has the meaning set forth in Section 2.1(f).

“Business” means all businesses of the Stations conducted by Sellers .

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

“Buyer Indemnitees” has the meaning set forth in Section 9.3.

“Cable Act” means the Cable Television and Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992).

“Closing” has the meaning set forth in Section 2.8(a).

“Closing Date” has the meaning set forth in Section 2.8(b).

“Code” means the Internal Revenue Code of 1986, as amended, and the rules, regulations and written policies of the IRS promulgated pursuant thereto.

“Commitment Properties” has the meaning set forth in Section 7.3(a).

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

“Competing Transaction” has the meaning set forth in Section 3.4.

“Consultant” has the meaning set forth in Section 4.15(b).

“Contracts” has the meaning set forth in Section 2.1(c).

“Control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction

of the management or policies of a Person, whether through the ownership of voting securities or partnership, membership, trustee, executor or other ownership interests, by contract or otherwise.

“Customer Lists” means all lists, documents, written information and computer tapes and programs and other computer readable media in Sellers’ possession concerning past, present and potential purchasers of services from the Stations, except where the sale of any such information is prohibited by the terms of an agreement between Sellers and another person.

“Data Room” has the meaning set forth in Section 4.4.

“Damages” means any and all actions, suits, claims, awards, obligations, penalties, Proceedings, investigations, audits, demands, losses, Liabilities, Taxes, damages, assessments, fines, judgments, interest fees, costs, expenses and disbursements (including fees, costs, expenses and disbursements of investigation and defense and attorneys’ and other professionals’ fees, costs, expenses and disbursements), whether or not involving a third party claim.

“Direct Claim” has the meaning set forth in Section 9.4(c).

“Direct Claim Notice” has the meaning set forth in Section 9.4(c).

“DMA” 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.

“DPS” has the meaning set forth in Section 3.4.

“Effective Time” has the meaning set forth in Section 2.8(b).

“Employment Contracts” has the meaning set forth in Section 4.15(a).

“Encumbrance” means any charge, claim, community property interest, condition, equitable interest, mortgage, deed of trust, lien, option, pledge, hypothecation, security interest, collateral security arrangement, right of first refusal, conditional sale or other title retention agreement, indenture, encumbrance, adverse interest, constructive trust or other trust, exception to or defect in title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, easements, rights-of-way, restrictive covenants, leases and licenses), or other charge or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership, or the filing of or agreement to give any financing statement or other lien with respect to any assets or property under the Uniform Commercial Code of the State of Nebraska or a comparable law of any jurisdiction.

“Environment” means surface waters, ground waters, surface water sediment, soil, subsurface strata, buildings, indoor air, ambient air and other environmental medium.

“Environmental Consultant” has the meaning set forth in Section 7.4(a).



“Environmental Laws” means any and all federal, state or local laws (including common law), statutes, rules, regulations, codes, policies, ordinances, orders, injunctions and directives, in effect on or prior to the Initial Closing Date: (a) related to releases or threatened releases of any Hazardous Substance to the Environment; (b) governing the use, treatment, storage, disposal, transport or handling of Hazardous Substances; or (c) related to the protection of the Environment, occupational safety, and human health. Such Environmental Laws include the following federal laws: the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Emergency Planning & Community Right-to-Know Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Occupational Health and Safety Act, as it relates to management of or exposure to hazardous substances and the Toxic Substances Control Act.

“Environmental Work” has the meaning set forth in Section 7.4(c).

“Environmental Work Cost Estimate” has the meaning set forth in Section 7.4(c).

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

“ERISA” has the meaning set forth in Section 4.16(a).

“Escrow Agent” has the meaning set forth in Section 2.5(a).

“Escrow Agreement” has the meaning set forth in Section 2.5(a).

“Escrow Deposit” has the meaning set forth in Section 2.5(a).

“Escrow Funds” has the meaning set forth in Section 2.5(a).

“Estimated Purchase Price” has the meaning set forth in Section 2.7(a).

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

“Excluded Assets” has the meaning set forth in Section 2.2.

“Exhibits” means the Exhibits to this Agreement which are delivered concurrently with this Agreement and are hereby incorporated herein and made a part hereof.

“FCC” means the Federal Communications Commission, including any official bureau or division thereof acting on delegated authority, or any successor agency thereto.

“FCC Consent” means action by the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting its written consent to the assignment of the FCC Licenses, including the continuation/replacement of the existing satellite waiver for KWNB-TV, without any material adverse conditions, from Sellers to Buyer.

“FCC Licenses” has the meaning set forth in Section 2.1(a).

“Final Closing Statement” has the meaning set forth in Section 2.7(b).

“Final Order” means that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending and as to which the time for filing any such petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminate.

“Financial Statements” has the meaning set forth in Section 4.4.

“Fines” has the meaning set forth in Section 2.4.

“GAAP” means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, as applied on a consistent basis by Sellers, in each case as the same are applicable to the circumstances as of the date of determination.

“Good Faith Deposit” has the meaning set forth in Section 2.5(a).

“Governmental Authority” means any court, tribunal, arbitrator, political subdivision administrative or other governmental department, agency, board, Commission, authority or instrumentality whether federal, state, county, provincial, local or foreign.

“Government Authorizations” means, collectively, all authorizations, agreements, licenses, certificates of authority, permits or other authorization for and with respect to the construction and operation of the Stations obtained from any Governmental Authority, including all antenna registrations, the FCC Licenses, any additions, renewals and extensions thereof or thereto, and all pending applications for modification, extension or renewal thereof, held by Sellers, including the government authorizations listed on Schedule 2.1(a).

“Hazardous Substance” means any material, chemical, compound, mixture, hazardous substance, hazardous waste, noise, radiation, mold, or other pollutant or contaminant defined, listed, classified, regulated or prohibited under any Environmental Law.

“Improvements” means all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, including, without limitation, the roof, foundation, load-bearing walls and other structural elements thereof; heating, ventilation, air conditioning, mechanical, electrical, plumbing and other building systems; environmental control, remediation and abatement systems; sewer, storm and waste water systems; irrigation and other water distribution systems; parking facilities; fire protection, security and surveillance systems; and telecommunications, computer, wiring and cable installations, included in the Real Property.

“Indebtedness” means, without duplication, any Liability of the Stations, Sellers or any of Sellers’ Affiliates (i) for borrowed money whether current, short-term, long-term, secured or unsecured (including all obligations for principal, interest, premiums, penalties, fees, expenses

and breakage costs and other obligations related thereto), (ii) evidenced by any note, bond, debenture or other debt security, (iii) for the reimbursement of letters of credit, bankers' acceptance or similar credit transactions, (iv) arising under any currency, interest rate swap, hedge or similar instrument, (v) with respect to "off balance sheet" financings, or (vi) arising under a guaranty or similar obligation with the respect to Liabilities of any other Person of the types described in clauses (i) through (v) above.

"Indemnifying Party" has the meaning set forth in Section 9.4(a).

"Indemnity Escrow Agreement" has the meaning set forth in Section 2.5(b).

"Indemnity Escrow Amount" has the meaning set forth in Section 2.5(b).

"Indemnity Escrow Fund" has the meaning set forth in Section 2.5(b).

"Independent Accountant" has the meaning set forth in Section 2.7(e).

"Intangibles" means all assets constituting intangible assets, including credits, prepaid expenses (subject to Section 2.6), and similar items (excluding such credits, expenses and items relating to Excluded Assets or Retained Liabilities), claims and rights under guaranties, warranties, goodwill (excluding such claims and rights relating to Excluded Assets or Retained Liabilities), if any, owned, used or held by Sellers and used in the Business.

"Intellectual Property" means all Intangibles, all call letters, trademarks, any Federally registered trademarks, trade names, service marks, designs, trade names, patents, inventions, trade secrets, know-how, processes, methods, techniques, Internet domain names, websites, web content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, databases, software or applications (including user-applications, source code, executable code, systems, tools, data, firmware and related documentation), copyrights and other works of authorship, programs and programming material, jingles, slogans, logos, content, all applications, registrations and renewals relating to any of the foregoing, any other intellectual property rights or proprietary rights in or arising from any of the foregoing, and in all tangible embodiments of the foregoing, including all licenses, sublicenses and other rights granted and obtained with respect thereto, and rights thereunder, including rights to collect royalties, products and proceeds, rights to sue and bring other claims and seek remedies against past, present and future infringements or misappropriations thereof or other conflicts therewith, rights to recover damages or lost profits in connection therewith, and other rights to recover damages (including attorneys' fees and expenses) or lost profits in connection therewith, and otherwise to seek protection or enforcement of interests therein under the Legal Requirements of all jurisdictions

"IRS" means the Internal Revenue Service or any successor agency thereto.

"Joint Instruction" has the meaning set forth in Section 2.9(a)(xii).

"Leased Real Property" has the meaning set forth in Section 4.7.

“Legal Requirement” means any federal, state, county, local, international, or other administrative order, law, ordinance, principle of common law, rule, regulation, statute, policy or code.

“Liability” means, with respect to any Person, any liability, indebtedness or other obligation of or by such Person of any kind or nature, whether accrued, absolute or contingent, known or unknown, or whether due or to become due.

“MVPD” means a multichannel video programming distributor.

“Nebraska Television Auction” has the meaning set forth in Section 3.4.

“Ordinary Course of Business” means the ordinary course of business of Sellers in the operation of the Business, consistent with past custom and practice.

“Owned Real Property” has the meaning set forth in Section 2.1(d).

“Party” or “Parties” has the meaning set forth in the preamble.

“Payables” means the outstanding accounts payable, including, without limitation, all amounts payable after the Effective Time that relate to a settlement of amounts due prior to the Effective Time, and unpaid commissions due to Station Employees and national sales representatives of Sellers with respect to the Receivables, as of the Effective Time arising out of the operation of the Stations other than with respect to Trade Agreements, as determined as of the Effective Time, as determined in accordance with GAAP.

“Permitted Encumbrances” means the following matters: (a) liens for current Taxes, assessments and governmental charges not yet due and payable (or being contested in good faith); (b) zoning laws and ordinances and similar Legal Requirements regulating the use or occupancy of such Real Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over such Real Property which are not violated in any material respect by the current operation of the Business; (c) inchoate materialman’s, mechanic’s, workmen’s, repairmen’s or other like Encumbrances arising in the Ordinary Course of Business and that are not resulting from any breach, violation or default by Sellers of any Contract or applicable law; (d) in the case of any Leased Real Property, (i) the rights of any lessor under the terms of the applicable Real Property Lease, including without limitation any landlord liens, and (ii) any Encumbrance granted by any lessor of such leased Asset or any such lessor’s predecessors in title which does not materially interfere with the current operation of the Business; and (e) as to interests in Real Property, any deed restrictions, building restrictions, easements, rights-of-way, servitudes, permits, restrictions and minor imperfections or irregularities in title, minor discrepancies and conflicts in boundary lines, shortages in area, encroachments, and any other fact that a correct survey and inspection of the property would disclose that arose prior to or during Sellers’ ownership or control of the affected Real Property and which does not materially interfere with the current operation of the Business or materially adversely affect the value of the affected Real Property and (f) in the case of Owned Real Property and Leased Real Property, any lease or sublease by Sellers in favor of a third party that is disclosed on Schedule 4.7(e).

“Person” means any individual, partnership, limited liability company, corporation, association, firm, joint stock company, trust, estate, joint venture, unincorporated organization, Governmental Authority or any other entity.

“Phase I Environmental Assessment” has the meaning set forth in Section 7.4(a).

“Phase I Time Period” has the meaning set forth in Section 7.4(a).

“Phase II Inspection” has the meaning set forth in Section 7.4(b).

“Phase II Time Period” has the meaning set forth in Section 7.4(b).

“Post-Closing Tax Period” means any Tax period (and that portion of a Straddle Period) beginning after the Closing Date with respect to the Business and the Assets.

“Pre-Closing Tax Period” means any Tax period ending on or before (and that portion of any Straddle Period ending on) the Closing Date with respect to the Business and the Assets.

“Preliminary Closing Statement” has the meaning set forth in Section 2.7(a).

“Proceeding” means any action, arbitration, assertion, audit, charge, claim, complaint, grievance, demand, notice, hearing, inquiry, investigation, litigation, mediation or suit (whether civil, criminal, administrative, investigative, private or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or under any Legal Requirement.

“Program Contracts” means all Contracts related to Program Rights.

“Program Rights” means all rights of Sellers presently existing, or obtained prior to the Closing, in accordance with this Agreement, to broadcast television programs, feature films or shows as part of the Stations’ programming and for which Sellers is or will be obligated to compensate the vendor of such Program Rights, including all film and program barter agreements.

“Property Taxes” means all real property Taxes, personal property Taxes and similar ad valorem Taxes relating to the Stations or the Assets.

“Purchased Intellectual Property” means the Intellectual Property included in the Assets.

“Purchase Price” has the meaning set forth in Section 2.5.

“Real Property” has the meaning set forth in Section 2.1(e).

“Real Property Leases” has the meaning set forth in Section 2.1(e).

“Receivables” means the outstanding accounts receivable of Sellers (other than Trade Receivables) as of the Effective Time, calculated in accordance with GAAP, arising out of (a) the sale of any advertising broadcast on the Stations, (b) the provision of production services or

the sale of other goods or services (other than with respect to the Trade Agreements), and (c) retransmission consent and network compensation payments.

“Registered Trademarks” means the trademark “NTV News” held by PTC as referenced on Schedule 2.1(d).

“Related Agreements” means all written agreements, instruments, affidavits, certificates and other documents, other than this Agreement, that are executed and delivered by Buyer or Sellers, or any of their respective Affiliates, pursuant to this Agreement or in connection with Buyer’s purchase of the Assets or any other transactions contemplated by this Agreement, including the Escrow Agreement, regardless of whether such agreements, instruments, affidavits, certificates and other documents are expressly referred to in this Agreement.

“Required Consents” means the third party consents set forth on Schedule 6.3 hereto.

“Retained Liabilities” has the meaning set forth in Section 2.4.

“Schedules” means the Schedules to this Agreement which are delivered concurrently with this Agreement and are hereby incorporated herein and made a part hereof.

“Sellers’ Indemnitees” has the meaning set forth in Section 9.2.

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

“Sellers 401(k) Plans” has the meaning set forth in Section 7.2(f).

“Station Employees” has the meaning set forth in Section 4.15(a).

“Straddle Period” means any Tax period beginning before or on and ending after the Closing Date with respect to the Business and the Assets.

“Survey” has the meaning set forth in Section 7.3(b).

“Successful Bid” has the meaning ascribed to it in Section 2.5(a).

“Tax” (including, with correlative meaning, the terms “Taxes,” and “Taxable”) shall mean any and all federal, state, local, county, provincial, national, foreign and other taxes, fees, levies, duties, tariffs, imposts, and other similar charges (together with any and all interest, penalties and additions to tax) imposed by any governmental or taxing authority including taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers’ compensation, unemployment compensation, or net worth taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes, license, registration and documentation fees and similar charges.

“Tax Return” shall mean any returns, reports, claims for refund, declarations of estimated Taxes and information statements, including any schedule or attachment thereto or any

amendment thereof, with respect to Taxes required to be filed with any governmental or taxing authority, domestic or foreign, including consolidated, combined and unitary tax returns.

“Third Party Claim” has the meaning set forth in Section 9.4(a).

“Third Party Claim Notice” has the meaning set forth in Section 9.4(a).

“Title Commitments” has the meaning set forth in Section 7.3(a).

“Title Company” has the meaning set forth in Section 7.3(a).

“Trade Agreement” means any Contract of Sellers, written or oral, pursuant to which Sellers, or any of them, has sold or traded commercial air time of the Stations in consideration for property or services in lieu of or in addition to cash, excluding film and program barter agreements.

“Transfer Taxes” has the meaning set forth in Section 6.6.

“Transferred Employee” has the meaning set forth in Section 7.2(b).

“Stations” has the meaning set forth in the recitals.

“WARN Act” has the meaning set forth in Section 4.15(d).

#### Section 1.2. Terms Generally.

(a) The definitions set forth or referenced in Section 1.1 apply equally to both the singular and plural forms of the terms defined. Any pronoun includes the corresponding masculine, feminine and neuter forms, as the context requires. The words “include,” “includes” and “including” will be deemed to be followed by the phrase “without limitation.” The word “or” is not exclusive. The words “shall” and “will” are used interchangeably and are intended to have, and will be deemed to have, the same meaning. The words “herein,” “hereof” and “hereunder” and words of similar import refer to this Agreement (including the Exhibits and Schedules) in its entirety and not to any part of this Agreement unless the context otherwise requires. All references to Articles, Sections, Exhibits and Schedules will be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context otherwise requires.

(b) The “knowledge” of a Party will mean the actual knowledge of any senior officer of such Party after due inquiry into the matter at issue; provided, however, that the knowledge of any of the Sellers will be deemed to include the actual knowledge (after due inquiry into the matter at issue) of any of Sellers’ senior officers plus the Stations’ business manager(s), general managers and chief engineers.

(c) Any references to any agreement or other document or instrument or to any statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any successor provisions, and to any rules and regulations promulgated thereunder), unless the context otherwise requires.

(d) Any reference to a “day” or number of “days” (without the explicit qualifications of “business”) will be interpreted as a reference to a calendar day or number of calendar days. Any reference to a “business day” means any day that is not a Saturday, Sunday or day on which banks in Wilmington, Delaware, are authorized or required by law to close. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a business day, then such action or notice will be deferred until, or may be taken or given on, the next business day. All references to dollar amounts will be references to United States Dollars.

## **ARTICLE II PURCHASE AND SALE; CLOSING**

Section 2.1. Purchase and Sale of Assets. Subject to the terms and upon satisfaction of the conditions set forth in this Agreement, at the Closing Sellers will sell, assign, transfer, convey and deliver to Buyer, and Buyer will purchase from Sellers all of Sellers’ right, title and interest, legal and equitable, to all assets, properties and rights of Sellers, real and personal, tangible and intangible, that are exclusively or primarily used or exclusively or primarily held for use in the Business or otherwise expressly included in the schedules to this Agreement other than the Excluded Assets (collectively, the “Assets”), free and clear of all Encumbrances other than the Permitted Encumbrances including the following:

(a) (i) all licenses, permits and other authorizations issued to Sellers by the FCC with respect to the Stations (the “FCC Licenses”), and including any applications therefor and modifications thereof between the date hereof and the Closing and (ii) all other Government Authorizations applicable to the Business, including those described on Schedule 2.1(a).

(b) all of Sellers’ equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, servers, traffic systems, graphic systems, audio boards, switchers, back-up generators, radar systems, microwaves, transponders, relays, backup generators, motor vehicles, computers, computer hardware and peripherals, office equipment, cameras, production and news operation equipment, inventory, spare parts and other tangible personal property of every kind and description owned or leased by Sellers that are exclusively or primarily used or exclusively or primarily held for use in the Business or otherwise expressly included in the schedules to this Agreement, in each case, including those listed on Schedule 2.1(b) (the “Equipment”), except for the Excluded Assets.

(c) Subject to Sections 6.3 and 6.4, except for contracts that are Excluded Assets, all agreements (whether written or oral) for the sale of advertising time and all other contracts, agreements, leases and licenses, in each case, exclusively or primarily used or exclusively or primarily held for use in the Business or otherwise expressly included in the schedules to this Agreement, including those listed on Schedule 2.1(c) (collectively, the “Contracts”).

(d) all of Sellers’ rights in any Intellectual Property and all goodwill associated therewith, exclusively or primarily used or exclusively or primarily held for use in the Business or otherwise expressly included in the schedules to this Agreement, including all Intellectual Property and any Federally registered trademarks listed on Schedule 2.1(d).



(e) all of the real property interests (i) owned by Sellers (the “Owned Real Property”), or (ii) except to the extent included in the Excluded Assets, leased, subleased, licensed or otherwise occupied by Sellers (the “Real Property Leases”) (in the case of both (i) and (ii) above, including any appurtenant easements, building, structures, fixtures and other Improvements located thereon), that is exclusively or primarily used or exclusively or primarily held for use in the Business or otherwise expressly included in the schedules to this Agreement, including the real property listed on Schedules 2.1(e)(i) and (ii), respectively (the “Real Property”); and

(f) Sellers’ rights in and to all the files, documents, records, and books of account (or copies thereof at Sellers’ sole discretion) to the extent relating to the Business, including the Business’ programming information and studies, signal and program carriage agreements, engineering files, data, drawings, blueprints, schematics, advertising studies, marketing and demographic data, sales correspondence, Customer Lists, credit and sales reports, and logs, copies of all personnel files related to Transferred Employees, and the public and political files of the Stations and those papers, logs files and other records maintained by the Sellers to ensure compliance by the Stations with all applicable rules, regulations and policies of the FCC, but excluding records primarily related to Excluded Assets (the “Books and Records”).

Sellers or any of them may, by written notice to Buyer, update Schedule 2.1(c) at any time from time to time before the Closing to (i) add any contract, agreement or lease entered into by any of the Sellers after the Agreement Date and before the Closing, in compliance with Section 6.4, that would have qualified as a Contract if such contract, agreement or lease had been in effect on the Agreement Date and (ii) remove any Contract that is described in Section 2.1(c) that after the Agreement Date and before the Closing has expired or been terminated in compliance with the terms of this Agreement. All such contracts, agreements and leases that are so added to Schedule 2.1(c) in accordance with this paragraph shall, for all purposes of this Agreement, be deemed to be Contracts and included in the Assets. All Contracts that are so removed from Schedule 2.1(c) in accordance with the terms and conditions of this Agreement shall, for all purposes of this Agreement, thereafter be deemed to be Excluded Assets and shall cease to be Contracts and shall no longer be included in the Assets. Except as otherwise provided in this Agreement, updates to Schedule 2.1(c) in accordance with this paragraph will not in any manner affect any condition to the obligations of Buyer to consummate the Closing or the satisfaction thereof.

Section 2.2. Excluded Assets. Notwithstanding anything contained in Section 2.1 to the contrary, Sellers are not selling, and Buyer is not purchasing, any of the following assets of Sellers, all of which will be retained by Sellers (collectively, the “Excluded Assets”):

(a) all Tax refunds and claims for Tax refunds that relate to the period prior to the Effective Time;

(b) insurance policies and rights and claims under insurance policies;

(c) bonds, letters of credit, surety instruments and other similar items and any stocks, bonds, certificates of deposit and similar investments;

- (d) cash, cash equivalents, notes receivable and bank accounts;
- (e) the Receivables;
- (f) all items of tangible personal property consumed or disposed of in the Ordinary Course of Business between the Agreement Date and the Closing Date in compliance with the terms of this Agreement;
- (g) all Contracts that are terminated in compliance with the terms of this Agreement or expire (and are not renewed or extended by Sellers or any of them) prior to the Closing, all Contracts listed on Schedule 2.2(g) hereto, and all Contracts between Sellers and any of their Affiliates;
- (h) except for any assets expressly included in this Agreement, any assets, rights or properties of Sellers or any Affiliate of Sellers used or held for use other than exclusively or primarily in connection with the Business, including the name “Pappas” and any other logos or trademarks not expressly included in the Assets;
- (i) all corporate (including minute books, stock records and other organizational documents), financial, Tax and Station Employee records, all documents, reports and records relating to intercompany matters or including confidential or proprietary information regarding Sellers’ Affiliates, all documents, reports and records relating to financial relationships with Sellers’ lenders and Affiliates, and all other Business records not included in the Books and Records; provided, however, Sellers shall provide Buyer with copies of all employment records for each Transferred Employee;
- (j) all rights in connection with, and all assets related to, Benefit Plans;
- (k) intercompany receivables owing to Sellers or any of them by any of their Affiliates;
- (l) all assets, whether tangible or intangible, of Sellers or any Affiliate of Sellers not used or held for use in the operation of the Business and not expressly included in this Agreement;
- (m) Sellers’ equity interests in any other entity;
- (n) all rights of Sellers under this Agreement or the Related Agreements;
- (o) all rights, claims and causes of action relating to any of the foregoing or any Retained Liability;
- (p) those assets listed on Schedule 2.2.

Section 2.3. Assumed Liabilities. Subject to the terms and upon the conditions set forth in this Agreement, as of the Effective Time Buyer shall assume and hereby agrees to pay, discharge and perform when due the following Liabilities (the “Assumed Liabilities”):

(a) Liabilities under all Contracts, Government Authorizations and other agreements and instruments included within and relating to the Assets and arising after the Effective Time, except those relating to the Excluded Assets or Retained Liabilities;

(b) Liabilities of Sellers to the extent a reduction in the Purchase Price is made pursuant to Section 2.6 with respect to such Liabilities;

(c) Liabilities arising out of Buyer's operation of the Stations after the Effective Time;

(d) all Liabilities related to Program Rights arising out of, or attributable to, any period of time after the Effective Time;

(e) Liabilities for any Property Taxes to the extent specifically allocated to Buyer pursuant to Section 6.6(c); and

(f) Liabilities assumed by Buyer under Section 7.2;

Section 2.4. Retained Liabilities. Except as expressly specifically provided for in this Agreement, Buyer shall not assume, or in any way become liable for, any Liabilities of Sellers, which Liabilities shall continue to be Liabilities of Sellers (the "Retained Liabilities"). Specifically, Buyer shall not assume or be liable for the following:

(a) Liabilities arising out of any Proceeding pending as of the Effective Time or arising out of or relating to matters or events occurring on or prior to the Effective Time (whether or not such claim is then asserted), including, without limitation, any claims for personal injury (including worker's compensation or otherwise) or property damage;

(b) Liabilities of any kind arising or existing on or prior to the Effective Time or any act or omission of Sellers with respect to Proceedings;

(c) Liabilities for all taxes imposed on the Assets or with respect to the Business arising or occurring in a Pre-Closing Tax Period, but excluding any Property Taxes to the extent specifically allocated to Buyer pursuant to Section 6.6(c);

(d) Except as provided in Section 7.2, Liabilities (i) relating to the employment or service with or termination of employment or service from Sellers of any Person, including, without limitation, severance payments resulting from or attributable to the transactions contemplated by this Agreement, or (ii) at any time arising under or pursuant to or in connection with any Benefit Plan or any other benefit or compensation plan, program, agreement or arrangement at any time maintained, sponsored or contributed or required to be contributed to by Sellers or with respect to which Sellers have or could have any Liability;

(e) Liabilities arising out of any violation, misappropriation or infringement of any proprietary or Intellectual Property rights of any Person occurring on or prior to the Effective Time;

(f) Liabilities in respect of Indebtedness;

- (g) Liabilities with respect to the Payables;
- (h) Liabilities of Sellers arising under this Agreement or the Related Agreements;
- (i) Liabilities arising from or related to the Excluded Assets or Retained Liabilities;
- (j) Liabilities of the Stations or Sellers, on the one hand, to Sellers or any of their Affiliates, on the other hand;
- (k) Liabilities arising under Environmental Laws, to the extent arising from or relating to facts, events or conditions which were in existence or occurred on or prior to the Closing Date (including all regulatory compliance violations), irrespective of whether such Liabilities attach to Sellers or Buyer or any other Person in the first instance
- (l) all Liabilities related to Program Rights arising out of any period of time prior to the Effective Time;
- (m) all Liabilities arising out of, or attributable to, Seller's operation of the Stations prior to the Effective Time; or
- (n) Any other liability that is not an Assumed Liability.

Sellers shall timely pay, perform and discharge in accordance with their respective terms all Retained Liabilities. For purposes of clarity, and not in limitation of the foregoing, Sellers shall be solely responsible for any forfeitures, fines and other payments imposed by the FCC in connection with the Business' operations (collectively, "Fines") prior to the Closing regardless of whether such Fines are imposed before or after the Closing.

Section 2.5. Purchase Price. In consideration for the sale of the Assets, Buyer shall, at the Closing, in addition to assuming the Assumed Liabilities, pay to Sellers a cash amount equal to Thirty One Million Two Hundred Fifty Thousand Dollars (\$31,250,000.00) (the "Purchase Price"), which shall be subject to estimation and adjustment as provided in this Agreement. The Purchase Price shall be paid as follows:

(a) Escrow Deposit. Pursuant to the Bidding Procedures Order, Buyer deposited with Kalil & Co. (the "Escrow Agent") the sum of Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) (10% of the initial bid submitted by Buyer for the Assets) (the "Good Faith Deposit"). The Good Faith Deposit shall be held by the Escrow Agent ("Escrow Deposit"). At the Closing, the Escrow Deposit and all interest and earnings thereon, if any, (collectively, the "Escrow Funds") shall be paid to Sellers as partial payment of, and a credit against, the Purchase Price due at Closing. In the event that this Agreement is terminated pursuant to the terms hereof, the Escrow Funds shall be paid to the Sellers or paid to Buyer in accordance with Section 10.3. Buyer and Sellers shall deliver such instructions to the Escrow Agent as may be necessary to disburse the Escrow Funds in accordance with the terms of this Agreement. The parties agree that all Taxes on the Escrow Funds shall be paid by Buyer.

(b) Payment at Closing. The Purchase Price shall be paid at Closing as follows: (a) the Escrow Funds shall be delivered to Sellers by Escrow Agent by wire transfer of immediately available US funds in accordance with joint written instructions delivered by the Sellers and Buyer at least three (3) days prior to Closing, (b) Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) (the “Indemnity Escrow Amount” and together with any interest earned on such amount, the “Indemnity Escrow Fund”) shall be delivered by Buyer to the Escrow Agent by wire transfer of immediately available funds in accordance with written instructions delivered by the Escrow Agent at least three (3) days prior to Closing, and (c) the balance of the Purchase Price (i.e., the Purchase Price (as adjusted pursuant to this Agreement) reduced by (i) the Indemnity Escrow Amount and (ii) the Escrow Funds shall be paid by Buyer to Sellers, by wire transfer of immediately available funds in accordance with written instructions delivered by Sellers at least three (3) business days prior to Closing. The Indemnity Escrow Fund will be held by the Escrow Agent pursuant to the terms of an escrow agreement substantially in the form of Exhibit A (the “Indemnity Escrow Agreement”). The Indemnity Escrow Fund will be released and applied in accordance with the terms of this Agreement and the Indemnity Escrow Agreement.

Section 2.6. Purchase Price Adjustments. The Purchase Price will be subject to adjustment, as of the Effective Time, for each of the following calculated in accordance with GAAP:

(a) The Purchase Price will be increased by:

(i) all prepaid expenses (other than inventory) and credits (including prepaid Property Taxes, real and personal property rentals, tower and antenna rentals, copyright fees and license fees or charges), which are included in the Assets, in each case to the extent attributable to any periods or portions thereof beginning after the Closing Date (for purposes of clarification there shall be no increase to the Purchase Price to the extent the aggregate liabilities under Trade Agreements as of the Effective Time is less than the aggregate fair market value of receivables under Trade Agreements as of the Effective Time); and

(ii) all documented deposits relating to the Business and operations of the Station that are held by third parties as of the Effective Time for the account of Sellers and that relate to the Stations or as security for Sellers’ performance of their obligations in respect of the Stations, including deposits on leases and deposits for utilities, to the extent included in the Assets as set forth on Schedule 2.6(a)(ii) hereto.

(b) The Purchase Price will be decreased by:

(i) Sellers’ estimated pro-rata portion of the FCC annual regulatory fees due and payable for the period October 1, 2015 through the Closing Date;

(ii) the prorated amount of all accrued and unpaid Property Taxes for any Pre-Closing Tax Period, as determined pursuant to Section 6.6(c);

(iii) any deferred retransmission consent revenues of the Business that relate to periods after the Effective Time to the extent that cash has been received by Sellers prior to the Closing Date with respect to such retransmission consent revenues;

(iv) all accrued expenses for sales and use Taxes to the extent attributable to any Pre-Closing Tax Period;

(v) the amount equal to the value of the commercial spots for bonus weight advertising owed to advertisers as of the Effective Time; and

(vi) the amount of the aggregate liabilities under the Trade Agreements as of the Effective Time (based on the fair market value of commercial spots owed after the Effective Time), net of the aggregate fair market value of the receivables received or likely to be received by Buyer under the Trade Agreements as of the Effective Time.

(c) Notwithstanding anything to the contrary set forth in this Section 2.6, as between Buyer and Sellers with respect to all Program Contracts, obligations to make cash payments of license and usage fees pursuant to each such Program Contract will be prorated between Sellers and Buyer based on the inventory of Program Rights under such Program Contracts elapsed as of the Closing Date vis-a-vis the remaining inventory of Programs available to Buyer under such Program Contracts after the Closing Date. The Purchase Price will be either (i) increased by the amount Sellers has paid in excess of their obligations pursuant to this Section or (ii) decreased by the amount Sellers owes in respect of their obligations pursuant to this Section, as applicable; provided, however, that the adjustments provided for in this Section 2.6(c) will be made without duplication to other adjustments under Sections 2.6 or 2.8.

(d) The adjustments provided for in this Section 2.6 will be made without duplication. In addition, none of the adjustments provided for in this Section 2.6 will be made with respect to any Excluded Asset, Retained Liability or with respect to any item of income or expense related to an Excluded Asset or Retained Liability.

#### Section 2.7. Closing Statement.

(a) At least ten (10) business days prior to the Closing Date, Sellers will deliver to Buyer a statement setting forth Sellers' good faith estimate of the adjustments to the Purchase Price pursuant to this Agreement and the resulting Purchase Price, all estimated, to the extent reasonably practicable, as of the Effective Time (the "Preliminary Closing Statement"). The Purchase Price as determined on an estimated basis in accordance with the provisions of Section 2.6 is referred to in this Agreement as the "Estimated Purchase Price." Sellers will make available to Buyer all information that Buyer reasonably requests, and is reasonably available to Sellers, supporting Sellers' estimate of the adjustments to the Purchase Price determined as of the Effective Time set forth in the Preliminary Closing Statement. If Buyer determines reasonably and in good faith that the adjustments to the Purchase Price included in the Preliminary Closing Statement do not accurately reflect the adjustments to the Purchase Price as of the Effective Time determined in accordance with Section 2.6, Buyer will give written notice to Sellers within five (5) business days after receipt of the Preliminary Closing Statement by Buyer setting forth in reasonable detail any objections of Buyer to the Preliminary Closing Statement and Buyer's calculations supporting such objections. Buyer and Sellers will negotiate in good faith to settle any differences with respect to the Preliminary Closing Statement prior to the Closing, and any amounts agreed upon by Buyer and Sellers will be reflected in the

Preliminary Closing Statement used for purposes of determining the Estimated Purchase Price at the Closing. To the extent that Buyer and Sellers are unsuccessful in settling the amounts of any items in dispute prior to the Closing, then the amounts for such disputed items will be incorporated into the Final Closing Statement and resolved pursuant to Section 2.7(e) below. In no event will the Closing be delayed as a result of any dispute with respect to the Preliminary Closing Statement, which dispute will be resolved after the Closing in accordance with the subsequent provisions of this Section 2.7.

(b) Not later than 60 business days following the Closing Date, Sellers will deliver to Buyer a statement substantially in the form of the Preliminary Closing Statement setting forth Sellers' determination of the adjustments to the Purchase Price pursuant to this Agreement and the resulting Purchase Price, all determined as of the Effective Time in good faith and on a reasonable basis (the "Final Closing Statement"). Sellers will make available to Buyer all information that Buyer reasonably requests supporting Sellers' calculation of the adjustments to the Purchase Price as of the Effective Time set forth in the Final Closing Statement.

(c) Following receipt of the Final Closing Statement and all other information referred to in Section 2.7(b), Buyer will have 30 business days to review such information and to notify Sellers in writing of any disagreement with Sellers' calculations, which notice will specify in reasonable detail the nature and extent of such disagreement and Buyer's calculations supporting such objections.

(d) If Buyer fails to provide a written notice of disagreement with Sellers' calculations of the adjustments to the Purchase Price pursuant to this Agreement and the resulting Purchase Price within the period specified in Section 2.7(c), Sellers' calculations thereof in the Final Closing Statement delivered pursuant to Section 2.7(b) will be final, conclusive, and nonappealable.

(e) If Buyer provides a written notice of disagreement with any of Sellers' calculations in the Final Closing Statement within the period specified in Section 2.7(c), Buyer and Sellers will negotiate in good faith to resolve any such dispute for a period of 30 business days following such notice. At the end of such period, if the dispute has not been resolved or the negotiation period has not been extended by agreement between Buyer and Sellers, the dispute will be referred to an independent public accounting firm (the "Independent Accountant") selected by agreement of Buyer and Sellers (or, if Buyer and Sellers cannot agree to the selection of the Independent Accountant within ten business days after the end of such negotiation period, the Independent Accountant will be selected by agreement of M. Green and Company LLP and PricewaterhouseCoopers). The Independent Accountant will render its decision as to whether Buyer's position is correct, Sellers' position is correct, or some position between the two is correct (together with an explanation of the basis therefor) to Buyer and Sellers not later than 30 days following submission of the dispute to it (unless Buyer, Sellers and the Independent Accountant agree upon a later date), which decision will be final, conclusive, and nonappealable and will be binding on Buyer and Sellers. The costs of the Independent Accountant will be paid one-half by Buyer and one-half by Sellers.

(f) Except as otherwise provided herein, Sellers and Buyer (and the Independent Accountant, if applicable) will make the calculations required pursuant to this Section 2.7 in a manner consistent with GAAP.

(g) If the Purchase Price as finally determined pursuant to this Section 2.7 is less than the Estimated Purchase Price, then Sellers will pay an amount equal to the difference between the Estimated Purchase Price and the Purchase Price to Buyer within five (5) business days after the Purchase Price is finally determined by wire transfer of immediately available funds to an account designated by Buyer. If the Purchase Price as finally determined is greater than the Estimated Purchase Price, then Buyer will pay an amount equal to the difference between the Purchase Price and the Estimated Purchase Price to Sellers within five (5) business days after the Purchase Price is finally determined by wire transfer of immediately available funds to an account designated by Sellers.

#### Section 2.8. Closing.

(a) Subject to the terms of this Agreement, the consummation of the sale and purchase of the Assets pursuant to this Agreement and the assumption of the Assumed Liabilities (the “Closing”) shall take place through electronic exchange of executed documents (with original versions of documents to be delivered promptly after the Closing) on the tenth (10th) business day after the later of (i) the FCC Consent becoming a Final Order subject to waiver by the Buyer or (ii) the Authorization Order being entered, subject to the satisfaction or waiver of the conditions to Closing set forth herein (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time), or on such other date or at such other location as is mutually agreeable to Buyer and Sellers. If the Closing shall not have occurred within the original effective period of the FCC Consent as a result of restrictions on Closing, if any, arising from the Federal Television Broadcast Spectrum Auction, the Sellers and Buyer shall jointly request one or more extensions of the effective period of the FCC Consent and neither Sellers nor Buyer shall be entitled use the auction related delay as a basis for termination of this Agreement under Article X. If the Closing shall not have occurred for any other reason within the original effective period of the FCC Consent and neither Sellers nor Buyer shall have terminated this Agreement under Article X hereof, Buyer and Sellers shall jointly request one or more extensions of the effective period of the FCC Consent; provided, however, that no such extension of the FCC Consent shall limit the right of either Sellers or Buyer to exercise such party’s rights under Article X.

(b) The date on which the Closing occurs is referred to herein as the “Closing Date.” The “Effective Time” for purposes of this Agreement shall be 12:01 a.m. local time for the Stations on the Closing Date.

#### Section 2.9. Closing Deliveries.

(a) Sellers Deliveries. At the Closing, Sellers shall deliver or cause to be delivered to Buyer:



(i) an Assignment of FCC Authorizations assigning the FCC Licenses from Sellers to Buyer in substantially the form attached hereto as Exhibit B, duly executed by Sellers;

(ii) a Bill of Sale and Assignment and Assumption Agreement, duly executed by Sellers, in substantially the form included in Exhibit C by which Sellers will convey to Buyer title to the Assets, including the Contracts;

(iii) assignment documents in substantially the form attached hereto as Exhibit D, duly executed by Sellers assigning and Federally registered trademarks and Purchased Intellectual Property to Buyer;

(iv) a duly executed recordable special warranty deed (without any exceptions noted thereon other than Permitted Encumbrances) conveying title to each parcel of Owned Real Property to Buyer;

(v) the certificate described in Section 8.1(a)(iii);

(vi) endorsed motor vehicle title certificates;

(vii) Internet domain name transfers duly executed by the Sellers assigning the Internet domain names included in the Purchased Intellectual Property, including the domain names listed on Schedule 2.1(d) (if any), to Buyer;

(viii) an affidavit of Sellers, in a form reasonably satisfactory to Buyer, stating under penalty of perjury, Sellers' United States taxpayer identification numbers and that Sellers are not foreign persons within the meaning of Section 1445(b)(2) of the Code;

(ix) Officer or Member's certificates from Sellers certifying that the consents in writing authorizing and approving the execution of this Agreement and the Related Agreements, and the consummation of the transactions thereby, were duly authorized, and that such consents in writing remain in full force and effect;

(x) good standing certificates issued by the Secretary of State of Sellers' jurisdictions of formation and each of the jurisdictions in which Sellers are required by law to be qualified as a result of their ownership of any Asset or operation of the Business;

(xi) (i) with respect to the Encumbrances securing Sellers' credit facilities, UCC-3 financing statements to be filed at the Closing and other forms of documentation reasonably acceptable to both parties, in each case effecting the release of such Encumbrances on the Assets and (ii) forms of documentation reasonably acceptable to both parties effectuating the release of all other Encumbrances on the Assets, if any, other than Permitted Encumbrances;

(xii) a jointly signed instruction to the Escrow Agent regarding the payment of the Escrow Fund to Sellers (such instructions, the "Joint Instruction");

(xiii) the Indemnity Escrow Agreement;

(xiv) a copy of the Authorization Order; and

(xv) any other documents as are reasonably necessary to transfer title to the Assets to Buyer.

(b) Buyer Deliveries at the Closing. At the Closing, Buyer shall deliver or cause to be delivered to Sellers:

- (i) the Estimated Purchase Price;
- (ii) the Bill of Sale and Assignment and Assumption Agreement, duly executed by Buyer;
- (iii) the certificate set forth in Section 8.2(a)(iii);
- (iv) a Secretary's certificate certifying that the consents in writing authorizing and approving the execution of this Agreement and the Related Agreements, and the consummation of the transactions thereby, were duly authorized, and that such consents in writing remain in full force and effect;
- (v) a certificate of good standing of Buyers' jurisdiction of formation and each of the jurisdictions in which Buyer is required by law to be qualified as a result of its ownership of any Asset or operation of the Business;
- (vi) the duly executed Joint Instruction;
- (vii) the executed Indemnity Escrow Agreement; and
- (viii) any other documents as are reasonably necessary to evidence the assumption of the Assets and the Assumed Liabilities by Buyer.

### **ARTICLE III**

#### **GOVERNMENTAL APPROVALS AND CONTROL OF STATIONS**

Section 3.1. FCC Consent. Buyer and Sellers shall prepare and file with the FCC as soon as practicable after Buyer is deemed the Successful Bidder but in no event later than five (5) business days after the completion of the Nebraska Television Auction, all requisite applications and other necessary instruments or documents requesting the FCC Consent. After the aforesaid applications and documents have been filed with the FCC, Buyer and Sellers shall prosecute such applications with all reasonable diligence to obtain the requisite FCC Consent. Buyer and Seller shall each pay one-half of all FCC filing fees relating to the transactions contemplated hereby.

Section 3.2. Communications. In connection with their obligations pursuant to this Article III to pursue the FCC Consent, Buyer and Sellers shall (i) keep each other informed in all material respects and on a reasonably timely basis of any material communication received by such party from, or given by such party to, any Governmental Authority and of any material communication received or given in connection with any Proceeding by a private party, in each

case with respect to this Agreement, the Business or the transactions contemplated hereby, (ii) notify each other of all documents filed with or received from any Governmental Authority with respect to this Agreement, the Business or the transactions contemplated hereby, (iii) furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder and (iv) cooperate in all respects with each other in connection with any filing or submission with a Governmental Authority in connection with the transactions contemplated by this Agreement and in connection with any investigation or other inquiry by or before any Governmental Authority relating to this Agreement, the Business or the transactions contemplated hereby, including any Proceeding initiated by a private party. Subject to applicable laws relating to the exchange of information, each of Buyer and Sellers shall have the right to review in advance, and to the extent practicable each will consult with the other on, all information relating to the other party or parties, as the case may be, and their respective Affiliates, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority with respect to this Agreement, the Business or the transactions contemplated hereby.

Section 3.3. Control Prior to Closing. Between the date hereof and the Closing Date, consistent with the Communications Laws, control, supervision and direction of the operation of the Stations prior to the Closing shall remain the responsibility of Sellers as the holder of the FCC Licenses. After the Closing, Sellers shall have no right to control the Stations, and Sellers shall have no reversionary rights in the Stations.

Section 3.4. Bankruptcy and Nebraska Television Auction. David P. Stapleton (“DPS”) is the successor trustee of the Pappas Liquidating Trust, which was established on December 21, 2011, by order of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) in Chapter 11 Case No. 08-10949 (PJW). The Pappas Liquidating Trust is the sole owner of the capital stock of Pappas Telecasting Companies, a Nevada Corporation (“PTC”) and the equity interests in Pappas GP, LLC, a Delaware limited liability company (“Pappas GP”). PTC and Pappas GP are general partners of PTCN. The Pappas Liquidating Trust is the ultimate owner of Lincoln OpCo, the sole member of KFXL Television LLC, which is the sole member of LBC. On August 21, 2015, the Bankruptcy Court entered the Order (I) Approving Bid and Sale Procedures for Nebraska Television Assets and (II) Scheduling an Auction and Sale Hearing (the “Bidding Procedures Order”). The purchase and sale of the Assets will be in accordance with the Bidding Procedures Order including an auction (the “Nebraska Television Auction”) to be conducted by DPS for the Assets. This Agreement is subject to (i) consideration by DPS of higher or better competing bids with respect to any transaction (or series of transactions) involving the direct or indirect sale, transfer or other disposition of the Assets to a purchaser or purchasers other than the Buyer (a “Competing Transaction”) and (ii) Bankruptcy Court authorization for DPS to exercise the Liquidating Trust’s interests in the Sellers to cause the sale of the Assets to the Buyer pursuant to an order in form and substance acceptable to DPS and from which no appeal has been taken and the time to appeal has expired and as to which no request for reconsideration has been made and no stay has been entered (the “Authorization Order”). Prior to completion of the Auction and entry of the Authorization Order, nothing contained herein shall be construed to prohibit DPS and his representatives and agents from soliciting, considering, negotiating, agreeing to, or otherwise taking action in furtherance of, any Competing Transaction. Entry of the Authorization Order by the Bankruptcy Court is an express condition of the Closing.

Section 3.5. Federal Television Broadcast Spectrum Auction. For the avoidance of doubt, Sellers will not file applications with the FCC indicating an intent to participate in the FCC's Television Broadcast Spectrum Auction, tentatively scheduled to begin on March 29, 2016. Buyer understands that despite non-participation in the FCC's Television Broadcast Spectrum Auction, the Stations could be repacked to new channels in the FCC's Television Broadcast Spectrum Auction.

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

Sellers represent and warrant to Buyer as follows:

Section 4.1. Organization of Sellers. Each Seller is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation. Each Seller has the requisite corporate power and authority to own, lease, and operate its properties and to carry on its Business as now conducted.

Section 4.2. Authorization; Binding Effect. Upon the entry of the Authorization Order and the FCC Consent, each Seller shall have all requisite power and authority to execute and deliver this Agreement and the Related Agreements and to perform its obligations under this Agreement and the Related Agreements. Except for the entry of the Authorization Order and the FCC Consent, the execution, delivery and performance by Sellers of this Agreement and the Sellers' Related Agreements and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all required partnership or limited liability company, as applicable, action of each Seller and its partners or members and do not require any further authorization or consent of such Seller or its partners or members, and no other partnership or limited liability proceeding or other action on the part of Sellers is necessary to authorize this Agreement, the Sellers' Related Agreements or the transactions contemplated hereby and thereby. Upon entry of the Authorization Order, this Agreement and each of the Related Agreements to which Sellers, or any of them, is a party, upon execution and delivery, will be a legal, valid, and binding obligation of Sellers, enforceable against Sellers in accordance with its terms, except insofar as enforcement may be limited by bankruptcy, insolvency, or other laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

Section 4.3. Noncontravention; Consents. Schedule 4.3 sets forth all notices and filings required to be made by Sellers and all authorizations, consents, or approvals of any non-Governmental Authority or any party to a Contract required to be obtained by Sellers, in order for Buyer and Sellers to consummate the transactions contemplated by this Agreement. Assuming receipt of the consents and delivery of the notices listed on Schedule 4.3, neither the execution and delivery of this Agreement and Related Agreements, nor the consummation of the transactions contemplated by this Agreement and the Related Agreements, will (a) violate any material Legal Requirement to which Sellers or any of them is subject or any provision of the organizational documents of any Seller, (b) result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel any Contract or any other instrument evidencing any of the Assets, or by which any of the Assets

owned by such Seller is bound or affected or (c) result in the creation of any Encumbrances upon the Assets other than Permitted Encumbrances.

Section 4.4. Financial Statements. The financial statements and related income statements for year-end 2013, 2014 and year-to-date 2015 (the “Financial Statements”) set forth on Schedule 4.4 hereto and made available to Buyer in the Data Room (as defined in the Bidding Procedures Order) are true and complete, are based on the books and records of the Sellers, including, except in the case of interim unaudited financial statements, all adjustments (consisting only of normally recurring accruals) that are necessary for a fair presentation of the financial condition and, taken as a whole, fairly present in all material respects the financial condition of the Sellers as of the respective dates they were prepared and the results of the Sellers’ operations for the periods indicated in conformity with GAAP, except as set forth on Schedule 4.4, and subject to normal year-end adjustments in the case of unaudited interim financial statements (none of which shall be material).

Section 4.5. Title. Sellers each have good and marketable title to, or a valid leasehold interest in, the Assets owned by it, free and clear of all Encumbrances other than Permitted Encumbrances. Sellers have not received any written notice of violation or default under any Legal Requirement, Government Authorization or Contract relating to the Assets that remains uncured or has not been dismissed.

Section 4.6. Equipment. Except as set forth on Schedule 4.6:

(a) Sellers have good and valid title to the Equipment free and clear of all Encumbrances other than Permitted Encumbrances;

(b) the Equipment has been maintained in a manner consistent with generally accepted standards of good engineering practice;

(c) the Equipment is in good working condition and is operating in compliance in all material respects with the Communications Laws and the rules and regulations of the Federal Aviation Administration; and

(d) except for the Excluded Assets as set forth on Schedule 2.2, the Equipment is all of the Equipment necessary to operate the Business as currently operated.

Section 4.7. Real Property; Leases. Schedule 2.1(e)(i) lists all Owned Real Property used or useful in the operation of the Business or otherwise included in the sale. Sellers hold good, valid, marketable title to the Owned Real Property free and clear of all Encumbrances other than Permitted Encumbrances. None of Sellers nor any of their Affiliates is obligated under, nor is a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Owned Real Property or any portion thereof or interest therein. Schedule 2.1(e)(ii) sets forth each parcel of real property leased under each Real Property Lease (the “Leased Real Property”) and a true and complete list of all Real Property Leases.

(a) All of the Real Property Leases listed on Schedule 2.1(e)(ii) (i) constitute legal, valid and binding obligations of the relevant Seller and to the knowledge of Sellers, the

other parties thereto, except as enforceability may be limited by bankruptcy, insolvency or other law affecting creditor's rights generally, or by the availability of equitable remedies, (ii) are in full force and effect, and (iii) none of Sellers nor to Sellers' knowledge, any other party thereto has violated any material provision of, or committed or failed to perform any act which, with notice, lapse of time or both, would constitute a material default under the provisions of any of the Real Property Leases or would allow the other party to terminate such Real Property Lease or bring a claim for damages. Sellers have furnished true and complete copies of all Real Property Leases to Buyer, including any and all amendments, extensions, and renewals.

(b) The Real Property, plus all of Sellers' respective rights, title and interest (if any) in and to any land lying in any adjacent or adjoining street, road or avenue, and all Improvements thereon and rights of the respective Seller appurtenant thereto, comprise all of the real property used by Sellers in the operation of the Business excepting the Excluded Assets.

(c) Each parcel of Owned Real Property, any Improvements constructed thereon and its current use conforms, in all material respects, to (i) all applicable Legal Requirements, and (ii) all restrictive covenants, if any, or other Encumbrances affecting all or part of such parcel, except to the extent that any such nonconformance constitutes a Permitted Encumbrance. Except as set forth on Schedule 4.7(c), Sellers have not subjected the Owned Real Property to any unrecorded easements, rights, obligations, covenants, conditions, restrictions, limitations or agreements.

(d) Sellers have received no written notice of any pending condemnation or similar proceeding affecting the Real Property or any portion thereof and, to Sellers' knowledge, no such action is contemplated or threatened against the Real Property.

(e) With the exception of lessees under the tenant leases listed on Schedule 4.7(e), there are no parties in possession of any portion of the Owned Real Property other than Sellers, whether as lessees, tenants at will, trespassers or otherwise.

(f) To the Knowledge of Sellers, no zoning, subdivision, building, health, land-use, fire or other federal, state or municipal law, ordinance, regulation or restriction is violated by the continued maintenance, operation, use or occupancy of the Owned Real Property or any tract or portion thereof or interest therein in its present manner. To Sellers' knowledge, the current use of the Real Property and all parts thereof as aforesaid does not violate any restrictive covenants affecting the Real Property. To Sellers' knowledge, the Sellers' use of the Leased Real Property does not violate any restrictive covenants affecting the Leased Real Property. To Sellers' knowledge, no current use by Sellers of the Leased Real Property is dependent on a nonconforming use or other approval from a governmental authority, the absence of which would significantly limit the use of any of the properties or assets in the operation of the Business.

(g) Except as set forth on Schedule 4.7(g), each parcel of Real Property has direct access to and from public roads adjoining the Real Property. There are presently in existence water, sewer, gas and/or electrical lines or private systems on the Real Property which have been completed, installed and paid for and which are operational and sufficient to service

adequately the current operations of each building, facility or tower located on the Real Property, as the case may be, and all hook-up fees or other similar fees or charges have been paid in full.

(h) All material Government Authorizations which are necessary to permit the lawful access, use and operation of the Improvements located on the Real Property for their current use have been obtained, and are in full force and effect.

#### Section 4.8. Intellectual Property.

(a) Except for intellectual property included in the Excluded Assets, the Purchased Intellectual Property constitutes all of the intellectual property and proprietary rights used in or necessary for the operation of the Business, and Schedule 2.1(d) lists and identifies all registered (including Internet domain names) Intellectual Property, applications for registrations of Intellectual Property, and material Intellectual Property owned, leased or licensed by Sellers or an Affiliate of Sellers and used or held for use exclusively in the operation of the Business or otherwise expressly included in the schedules to this Agreement.

(b) Sellers or an Affiliate of Sellers exclusively owns or has a right to use the Intellectual Property currently used in or necessary for the operation of the Business free and clear of all Encumbrances other than Permitted Encumbrances and there are no Proceedings instituted, pending, or to Sellers' knowledge, threatened, by any third party pertaining to or challenging the enforceability or validity, or Sellers' ownership or right to use, any such Intellectual Property. To Sellers' knowledge, the operation of the Business as currently conducted does not infringe, misappropriate or otherwise conflict with any third party's Intellectual Property. To Sellers' knowledge, no Person is infringing upon, misappropriating or otherwise conflicting with the rights of Sellers in or to any Intellectual Property.

(c) There are no royalty agreements between Sellers or any of them and any third party relating to Intellectual Property.

#### Section 4.9. Contracts.

(a) Schedule 2.1(c) and Schedule 4.15(a) collectively set forth a true and complete list of all contracts, agreements, licenses and leases to which Sellers or any of them is a party that relate to the Business or the ownership of the Assets (including all contracts for the sale of advertising time, programming and film contracts, syndication contracts, national sales representation contracts, employment contracts, retransmission contracts and network affiliation contracts, employment contracts, Real Property Leases, and income-producing leases and agreements), other than (a) contracts for the sale of time on the Stations which are for cash consistent with prior practices for the periods in question and with not more than six (6) months remaining in their terms; (b) contracts which (i) were entered into in the Ordinary Course of Business and which are terminable by Buyer after the Closing on thirty (30) days' notice or less without penalty or premium, or (ii) are not reasonably expected to impose monetary obligations on Sellers in 2015 in excess of \$10,000 and which impose no material restrictions on the operation of the Business (including on the use of any Intellectual Property); or (c) Excluded Assets. There are no capital leases that relate to the operation of the Business or the ownership of the Assets.

(b) All of the Contracts (i) constitute legal, valid and binding obligations of the respective Seller except as enforceability may be limited by bankruptcy, insolvency or other law affecting creditor's rights generally, (ii) are in full force and effect, and (iii) except as set forth on Schedule 4.9(b), such Seller nor, to such Seller's knowledge, any other party thereto, has violated any provision of, or committed or failed to perform any act which, with notice, lapse of time or both, would constitute a default under the provisions of any of the Contracts that would allow the other party to terminate such Contract or bring a claim for Damages. Schedule 4.9(b) sets forth those Contract defaults which are in excess of \$10,000 individually and \$25,000 in the aggregate. Buyer shall not be liable for payment of any amounts due and payable under a Contract for any period prior to the Effective Time (whether or not set forth on Schedule 4.9(b)) after the Closing.

(c) Copies of all Contracts have been made available to Buyer by Sellers, and Schedule 2.1(c), and Schedule 4.15(a) as applicable, contains summaries of all oral contracts which involve \$5,000 or more. Schedule 2.1(c) sets forth, as of the date hereof, a complete list of all Trade Agreements, the parties thereto, the value of the broadcast time required to be provided by the Stations and the value of the goods or services to be provided to the Stations from and after the date set forth thereon.

(d) Unless listed on Schedule 4.3, Sellers' rights, title and interest in and to each of the Contracts is fully assignable to Buyer without the consent, approval or waiver of any other Person

#### Section 4.10. Government Authorizations.

(a) Schedule 2.1(a) lists all of the Government Authorizations held by each Seller respectively and issued in connection with the Stations or the operation of the Business. Copies of all the Government Authorizations have been provided to Buyer. The FCC Licenses described on Schedule 2.1(a) are all of the licenses, permits, authorizations and registrations of the FCC required for or otherwise material to the present operation of the Business and the ownership of Assets. Each Government Authorization is in full force and effect, has not been revoked, suspended, canceled, rescinded or terminated, has not expired, and constitutes the valid, legal, binding and enforceable obligation of Sellers. To Sellers' knowledge, Sellers are not in breach or default of any material terms or conditions thereunder. No qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations, other than the Government Authorizations, are required in order for Sellers to own and operate the Stations in the manner operated on the date hereof. Except as set forth on Schedule 4.10(a), Sellers have no applications pending before any Governmental Authority related to the Business. As of the date hereof, no Proceeding is pending or to Sellers' knowledge threatened before the FCC or any other governmental body to revoke, refuse to renew or modify such Government Authorizations or other authorizations of the Stations.

(b) There is not 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 Business, Stations or Sellers with respect to the Business and the Sellers are operating the Stations and the Business in compliance in all material respects with the Communications Laws. The FCC Licenses have been issued for the full terms customarily issued by the FCC for full



power commercial television broadcast stations such as the Stations. The FCC Licenses are not subject to any condition except for those conditions appearing on the face of the FCC Licenses and conditions generally applicable to full power, Class A or low power commercial television broadcast stations such as the Stations.

(c) The Stations, their physical facilities, electrical and mechanical systems and transmitting and studio equipment, including, but not limited to all of the Stations' transmitting towers, are being operated in all material respects in accordance with the specifications of the Government Authorizations, and Sellers and the Stations are in compliance with the Communications Laws in all material respects. Sellers have complied in all material respects with all requirements of the FCC and the Federal Aviation Administration with respect to Sellers' operations on the Stations' antenna structures. Sellers are not aware of any act or omission that would reasonably be expected to result in a refusal by the FCC to renew any Stations' authorizations for a full term and in the normal course. To Seller's Knowledge, none of the Stations receives material interference from another television broadcast station or cause material interference to another television broadcast station, except to the extent permitted by the Communications Laws.

(d) To Sellers' knowledge, with the exception of obtaining continuation/replacement of the existing KWNB-TV satellite waiver, a copy of which is included in Schedule 2.1(a), no waiver of or exemption from any provision of the Communications Laws in effect as of the Agreement Date, with respect to Sellers, is necessary for the FCC Consent to be obtained. To Sellers' knowledge, there are no facts or circumstances related to Sellers that might reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or (b) materially delay obtaining the FCC Consent. Sellers shall take no action during the term of this Agreement which would reasonably be expected to materially delay the grant of the FCC Consent.

Section 4.11. MVPD Matters. The signal of each of the full power Stations and KHGI-CD is carried on substantially all of the MVPDs serving the relevant Station's DMA, including, to the best of Sellers' knowledge, all MVPDs with 1,000 or more subscribers. Schedule 4.11 lists all of the MVPDs on which the relevant Station is carried pursuant to either "must-carry" or retransmission consent in accordance with the Cable Act, with such carriage rights so noted. All retransmission consent agreements are listed on Schedule 2.1(c). The Stations have no liability to any Person arising under or in respect of its performance of its cable or satellite carriage agreements, including, without limitation, copyright royalties (other than as specifically referenced in any Contract listed on Schedule 2.1(c)). Since January 1, 2015, Sellers have not received (i) any written notice from any MVPD of such MVPD's intention to delete any of the Stations from carriage or to change the channel position of any of the full power Stations or KHGI-CD and (ii) any written notice that a Station may not be entitled to carriage on any MVPD either because the Station fails to meet the requisite signal strength for such status or the Station would be considered distant signals under the cable compulsory copyright license, 17 U.S.C. §111.

Section 4.12. Litigation. Sellers are not (a) subject to any Proceeding that requires Sellers or any of them to take any action with respect to the Assets or the operation of the Business, or to which Sellers or any of them, the Business, the Stations or the Assets are subject

to by which they are bound or affected, or (b) a party, or to the knowledge of Sellers, threatened in writing to be made a party to any Proceeding.

Section 4.13. Labor Relations. Sellers are not a party to any collective bargaining agreement or relationship. There is, and since January 1, 2014, there has been, no unfair labor practice charge against Sellers or any of them in respect of the Business pending or, to Sellers' knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, nor has any written complaint pertaining to any such charge or potential charge been filed against Sellers or any of them, and there is, and for the past three (3) years has been, no strike, unfair labor practice, request for representation, slowdown or stoppage pending or, to Sellers' knowledge, threatened in respect of the Business. To Sellers' knowledge, there is no union organizing activity underway or threatened with respect to any Station Employees and no request or application for a National Labor Relations Board certification election with respect to any Station Employees.

Section 4.14. Taxes.

(a) Sellers have timely filed all Tax Returns and estimates with respect to the Assets or operation of the Business for all years and periods (and portions thereof) for which any such Tax Returns and estimates were due, and any and all amounts due and payable have been paid in full except to the extent such amounts have been contested in good faith. All of such Tax Returns were prepared in compliance in all material respects with all Legal Requirements and all Tax Returns and estimates are true and complete in all material respects. Sellers have fully and timely paid all material Taxes due and payable pursuant to such Tax Returns or pursuant to any assessments which have become payable, except for Taxes contested in good faith by appropriate proceedings.

(b) No issues that have been raised by the relevant taxing authority in connection with the examination of any of the Tax Returns referred to in clause (a) are currently pending and Sellers have not received any notice from any taxing authority in connection with Seller's liability with respect to Taxes, and Sellers have not waived any statute of limitations in respect of Taxes or agreed to any extension of time to assess a Tax.

(c) There is no lien for Taxes upon any of the Assets other than liens for Taxes that are not yet due and payable or for Taxes the validity or amount of which is being contested by Sellers or any of them in good faith by appropriate action.

(d) Sellers have withheld all Taxes required to be withheld under applicable Legal Requirements, and such withholdings have either been paid to the proper taxing authority or set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of Sellers respectively, as the case may be.

Section 4.15. Employees.

(a) Schedule 4.15(a) sets forth a current list of the names, titles, departments, and dates of hire of all employees of the Stations ("Station Employees"), including any employee who is an inactive employee on paid or unpaid leave of absence. For each such Station Employee, the aforementioned list includes the amounts paid or payable as base salary and

describes any other compensation arrangements for each Station Employee as of the date hereof, including bonuses, and such Station Employee's accrued vacation, vehicle usage, severance or other perquisites. Except as set forth on Schedule 4.15(a) hereto, there are no employment agreements between Sellers and Station Employees or professional service contracts not terminable at will relating to the Station or the Business or written or oral Contracts for the future employment of an employee of the Business. Schedule 4.15(a) sets forth as of the date hereof any employment and severance agreements with Station Employees (the "Employment Contracts"). With the exception of periodic expense reimbursements, no cash payments are due to Station Employees as of the date hereof with respect to accrued vacation or sick pay.

(b) Schedule 4.15(b) lists as of the date hereof, the names of all independent contractors ("Consultants") who are engaged by Sellers to provide personal services to the Business, including the total compensation payable to each Consultant.

(c) Except as provided in Section 7.2, the consummation of the transactions contemplated hereby will not cause Buyer to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any Station Employee or any Liability under or with respect to any Benefit Plan.

(d) To the best of their knowledge, Sellers have operated the Stations in material compliance with all Legal Requirements relating to employment and the employment of labor, including (without limitation) those relating to equal employment, affirmative action, collective bargaining, wages and hours, employment classification, vacations, workplace safety, immigration, layoffs, and the withholding and payment of employment taxes. Within the past three (3) years, no employee layoffs have occurred that could implicate the Worker Adjustment and Retraining Notification Act of 1988 or any similar state or local Legal Requirement (collectively, the "WARN Act"), and no such layoffs will be implemented without advance notice to Buyer. Schedule 4.15(d) lists, by date and location, all former employees of the Station whose employment was terminated in the 90 days preceding the Agreement Date.

#### Section 4.16. Employee Benefits.

(a) Schedule 4.16(a) sets forth a complete and correct list of each deferred compensation, incentive compensation, stock purchase, stock option, retention, severance or termination pay, hospitalization or other medical, life, or other insurance, supplemental unemployment benefits, profit-sharing, 401(k), pension or retirement plan, program, agreement, or arrangement, and each other benefit or compensation plan, program, agreement, or arrangement, that currently is sponsored, maintained, or contributed to or required to be contributed to by Sellers respectively or any of their Affiliates for the benefit of any Station Employee (the "Benefit Plans"). Schedule 4.16(a) identifies each of the Benefit Plans that is an "employee welfare benefit plan" or "employee pension benefit plan" as such terms are defined in Sections 3(1) and 3(2) of the Employee Retirement Income Security Act of 1974 ("ERISA").

(b) To Sellers' knowledge, each of the Benefit Plans has been and is operated and administered in accordance with its terms in all material respects and in material compliance with applicable requirements of the Code, ERISA, and other applicable Legal Requirements and may, in accordance with its terms, be amended or terminated at any time. Each Benefit Plan that

is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service on which Sellers may rely and nothing has occurred that would adversely affect the qualification of such Benefit Plan. With respect to each Benefit Plan to which Sellers are obligated to contribute, all contributions for all periods ending prior to or on the Closing Date shall have been made or will be made by Sellers, or their Affiliates.

(c) None of the Station Employees participate, or have participated in within the past five years, and Sellers do not contribute, are not obligated to contribute, and have not been obligated to contribute to, a “multiemployer plan” within the meaning of Section 3(37) of ERISA on behalf of the Station Employees.

Section 4.17. Brokers’ Fees. Sellers have no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement, except for Kalil & Co., Inc. the fees and commissions of which will be paid solely by Sellers.

Section 4.18. Environmental Matters.

(a) To the best of their knowledge, Sellers are conducting and at all times have conducted the Business, and has occupied, used and operated the Real Property in material compliance with all applicable Environmental Laws, which compliance includes obtaining, maintaining and complying in all material respects with all permits, licenses or other authorizations required by Environmental Law for the operation of the Business. No conditions, circumstances or activities have existed or currently exist on or in regard to, and Sellers have not engaged in any activities with respect to, the Real Property occupied, used or operated by it that would give rise to any material liabilities under any Environmental Law.

(b) There are no (i) current, pending or, to Sellers’ knowledge, threatened Proceedings or investigations of any kind against Sellers concerning the Business or the Real Property under any Environmental Law, (ii) claims, actions, suits or administrative, arbitral or other proceedings pending or, to Sellers’ knowledge, threatened against or affecting Sellers at law or in equity with respect to the Business or the Real Property under any Environmental Laws, or (iii) to the Sellers’ knowledge, existing grounds on which any such action, suit or proceedings might reasonably be commenced.

(c) To the best of Sellers’ knowledge, all waste materials which are generated as part of the Business are and have been handled, stored, treated and disposed of in material compliance with applicable Environmental Laws. None of Sellers nor to Sellers’ knowledge any of Sellers’ subsidiaries, Affiliates or predecessors has treated, stored, disposed of, handled, released or exposed any person to any Hazardous Substance or owned or operated any property contaminated by any Hazardous Substance, in each case which has or would give rise to material liability under Environmental Law.

(d) To Sellers’ knowledge, (i) no underground storage tanks are or have been located on the Real Property, and (ii) the Real Property has not been used by Sellers as a gasoline service station or any facility for storing, pumping, dispensing or producing gasoline or any other

petroleum products (other than such storage, pumping and dispensing of fuels and lubricants as is incidental to the Business) or Hazardous Substances.

(e) Sellers have made available to Buyer copies of any environmental assessments, audits, investigations or other similar environmental reports and material environmental, health and safety documents relating to the Business, the Purchased Assets or the Real Property that are in the possession, custody or control of Sellers.

(f) The operation of the Stations does not exceed the permissible levels of exposure to RF radiation specified in the Communications Laws or under Environmental Laws.

Section 4.19. Compliance with Laws. Sellers own and operate their respective properties and assets, and carry on and conduct the business and affairs of the Station and the Business in material compliance with all Legal Requirements.

Section 4.20. Insurance. Except as set forth in Schedule 4.20, Sellers have, and until Closing will have, in full force and effect insurance insuring the Assets, the Stations and the Business. Sellers are not in default with respect to such insurance policies. No written notice of cancellation, termination or nonrenewal has been received by Sellers with respect to any such policy.

Section 4.21. Certain Proceedings. To the knowledge of Sellers, as of the Agreement Date there is no pending Proceeding that has been commenced that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated by this Agreement.

Section 4.22. Transactions with Affiliates. Schedule 4.22 sets forth a true, complete and correct list of all Contracts between Sellers and any of their Affiliates. Except as set forth in Schedule 4.22, since January 1, 2015 Sellers have not: (a) furnished services to or received services from any of their Affiliates, (b) rented or leased Equipment or Real Property to or from any of their Affiliates, (c) provided or received the benefit of properties or assets of any of their Affiliates without compensation from or to such Affiliates, or (d) except for cash dividends, otherwise made or received payments to or from any of their Affiliates.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES REGARDING BUYER**

Buyer represents and warrants to Sellers as of the date hereof and as of the Closing Date as follows:

Section 5.1. Organization of Buyer. Buyer is a [corporation] duly organized, validly existing and in good standing under the laws of [Maryland] and is, or will be as of the Closing, if necessary, qualified to do business as a foreign entity in the state of Nebraska.

Section 5.2. Authorization; Binding Effect. Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Related Agreements and to perform its obligations under this Agreement and the Related Agreements. The execution, delivery and performance by Buyer of this Agreement and the Buyer's Related Agreements to which it will be

a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by the Board of Directors of Buyer, and no other corporate proceeding or other action on the part of Buyer is necessary to authorize this Agreement, the Buyer's Related Agreements or the transactions contemplated hereby and thereby. This Agreement and each of the Related Agreements to which Buyer is a party, upon execution and delivery, will be a legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except insofar as enforcement may be limited by bankruptcy, insolvency, or other laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

Section 5.3. Intentionally Omitted.

Section 5.4. Financial Capability. Buyer has, and on the applicable Closing Date will have, available sufficient unrestricted funds to enable it to consummate the transactions contemplated hereby.

Section 5.5. Noncontravention; Consents. Except for the FCC Consent, neither the execution and the delivery of this Agreement and the Related Agreements, nor the consummation of the transactions contemplated by this Agreement and the Related Agreements, will (a) violate any material Legal Requirement to which Buyer is subject or any provision of the organizational documents of Buyer or (b) result in a material breach of, constitute a material default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, any contract, agreement, lease, license, or other arrangement to which Buyer is a party or by which it is bound or to which its assets are subject. Subject to the receipt of the FCC Consent, Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or other Person in order for Buyer to consummate the transactions contemplated by this Agreement

Section 5.6. Certain Proceedings. As of the Agreement Date there is no Proceeding that has been commenced that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated by this Agreement and the Related Agreements.

Section 5.7. Brokers' Fees. Buyer has no Liability to pay any fees or Commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

Section 5.8. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Laws. With the exception of obtaining a satellite waiver regarding KWNB-TV, no waiver of or exemption from any provision of the Communications Laws in effect as of the Agreement Date or is necessary for the FCC Consent to be obtained. Except as set forth on Schedule 5.8, to Buyer's knowledge, there are no facts or circumstances that might, under the Communications Laws, reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations or (b) materially delay obtaining the FCC Consent. Buyer shall take no action during the term of this Agreement which would reasonably be expected to have a material adverse effect on Buyer's

ability to consummate the transactions contemplated hereby, or to materially delay the grant of the FCC Consent.

## **ARTICLE VI PRE-CLOSING COVENANTS**

The Parties agree as follows with respect to the period between the Agreement Date and the Closing Date (inclusive):

Section 6.1. Commercially Reasonable Efforts. Except where a different standard of conduct is specifically contemplated by this Agreement (in which event such standard will apply), each of the Parties will use its commercially reasonable efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement in the most expeditious manner practicable (including using commercially reasonable efforts to cause the conditions to the applicable Closing set forth in Article VIII for which such Party is responsible to be satisfied as soon as reasonably practicable and to prepare, execute and deliver such documents and instruments and take or cause to be taken such other and further action as any other Party may reasonably request).

### Section 6.2. Local Public Notice; Announcements.

(a) Local Public Notice. Sellers shall publish and broadcast a public notice concerning the filing of the applications for assignment of the FCC Licenses in accordance with the requirements of Section 73.3580 of the FCC's rules.

(b) Announcements. Except in connection with obtaining the Authorization Order, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement, except that the parties shall cooperate to make a mutually agreeable announcement of this transaction on the applicable Closing Date. To the extent that either Sellers or Buyer is so obligated by law or any rule or regulation of any securities exchange upon which the securities of such party are listed or traded, in which case such party shall give advance notice to the other, such party shall make such disclosure and shall not characterize the transactions hereunder in any manner inconsistent with the mutually agreeable announcement.

Section 6.3. Consents. Sellers will use their commercially reasonable efforts to obtain all consents from third parties whose consent or approval is required pursuant to any Contract or Real Property Lease, prior to the Closing Date. Sellers shall advise Buyer of any difficulties experienced in obtaining such consents and of any conditions requested for any of such consents. To the extent that any Contract or Real Property Lease may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable Contract or Real Property Lease, with Sellers making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Sellers' behalf. Buyer and Sellers shall cooperate to use commercially reasonable efforts after the Closing Date to obtain consents to assign such Contracts or Real Property Leases. Notwithstanding the

foregoing, it is understood and agreed that the receipt of written consents to the assignment of those Contracts listed on Schedule 6.3 (each such consent a “Required Consent”) shall be a condition of each party’s obligations to consummate the transactions contemplated hereby.

Section 6.4. Operation of Business Pending Closing. Between the date hereof and the Closing, except as permitted by this Agreement or required by applicable law or the regulations or requirements of any regulatory organization applicable to Sellers or any of them, unless Buyer otherwise consents in writing, Sellers shall:

(a) operate the Assets and conduct Sellers’ operations of the Stations and the Business in the ordinary course and in all material respects in accordance with the Communications Laws and with all other applicable Legal Requirements, including using commercially reasonable efforts to preserve and maintain the Business’ goodwill, business, customer and employee relationships, licenses and franchises and to promote the Stations and the programming of the Stations (both on-air and using third party media) in the ordinary course of business, taking into account inventory availability;

(b) (i) not adversely modify any of the FCC Licenses and shall maintain all of the FCC Licenses in full force and effect and (ii) not change the call letters of any of the Stations;

(c) not enter into any interference acceptance agreement with another FCC licensee that would reasonably be expected to result in electrical interference to any of the Stations;

(d) other than in the Ordinary Course of Business or for the purpose of disposing of obsolete or worthless assets, not (i) sell, lease, license or dispose of or agree to sell, lease, license or dispose of any of the Assets unless replaced with similar items of substantially equal or greater value and utility, (ii) create, assume or permit to exist any Encumbrances upon the Assets, except for Permitted Encumbrances or (iii) dissolve, liquidate, merge or consolidate with any other entity;

(e) except for agreements and contracts which will be terminable by Buyer, without penalty, upon notice of sixty (60) days or less, not enter into any agreement or contract (i) (x) for the use of any digital subchannel of the any of the Stations or (y) that would have been a Contract were Sellers or any of them a party or subject thereto on the Agreement Date, (ii) amend in any material respect any Contract unless such amendment is (A) effected in the Ordinary Course of Business (B) does not increase the amount of payments to be made by Sellers during any twelve (12) month period by Twenty Five Thousand Dollars (\$25,000.00) for any individual agreement or One Hundred Thousand Dollars (\$100,000.00) in the aggregate or more and (C) is not to a retransmission consent agreement covering more than 2,000 subscribers and/or for a term of more than 2 years and/or which includes terms that would prevent Buyer from adding such retransmission consent agreement to Buyer’s retransmission consent agreement with the same MVPD, or (iii) terminate or waive any material right under any Contract other than in the Ordinary Course of Business (excluding the expiration of any Contract in accordance with its terms) (it being understood that if any such entry into, or amendment or termination of any such agreement or contract is permitted pursuant to this Section 6.4 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 6.4, then this Section 6.4 shall not be interpreted to permit such action without the prior written consent of Buyer as contemplated hereby);

(f) make payments under the Contracts when and as due;

(g) maintain in full force and effect policies of insurance of the same type and character as the policies in place as of the date of this Agreement, and in such coverage amounts as Sellers shall deem necessary and reasonable with respect to the Assets;

(h) maintain their qualifications to hold the FCC Licenses with respect to the Stations and not take any action that will materially impair such FCC Licenses or such qualifications, or cause the grant of FCC Consent to be materially delayed;

(i) except in the ordinary course of business and consistent with past practices, not (i) hire, terminate or transfer any other Station Employee, excluding any terminations for "cause" as reasonably determined by Sellers, (ii) enter into any employment agreement with a new employee or amendment to employment agreement with a Station Employee providing for annual compensation in excess of \$20,000, (iii) enter into any severance agreement, and (iv) enter into any labor, or union agreement or plan without Buyer's consent which, in addition to not being unreasonably withheld, conditioned or delayed, shall be provided consistent with Sellers' legal obligations, including their good faith bargaining obligations (provided, however, Sellers shall notify Buyer promptly of all such bargaining and allow Buyer to give Sellers its input with respect to any negotiations, subject to Sellers' good faith bargaining obligations);

(j) not (i) other than salary increases for Station Employees in the Ordinary Course of Business consistent with past practice, or pursuant to written Employment Agreements provided to Buyer, increase the compensation to any Station Employee, or (ii) modify any severance policy applicable to any Station Employee that would result in any increase in the amount of severance payable to any such employee (or would expand the circumstances in which such severance is payable);

(k) not communicate to any Station Employee any information regarding the prospective terms and conditions of his or her employment with Buyer which is not expressly stated in this Agreement;

(l) make any change to Sellers' accounting procedures, policies and practices, except as required by Legal Requirement;

(m) take commercially reasonable steps to maintain each Station's MVPD carriage existing as of the date of this Agreement;

(n) upon reasonable advance written notice, give Buyer and its representatives reasonable access at reasonable, mutually agreed-upon times during normal business hours to the Assets and the books and records and personnel of the Business, and furnish Buyer with information relating to the Assets or the Business that Buyer may reasonably request, provided,

that such access rights shall not be exercised in a manner that unreasonably interferes with the operation of the Business; and

(o) not agree, commit or resolve to take any actions inconsistent with the foregoing.

Section 6.5. Notice. Each Party will give prompt written notice to the other Party of any fact or condition that causes or constitutes a breach of any of the representations and warranties in this Agreement, or of any action, suit, proceeding or investigation that is instituted or threatened against such Party to restrain, prohibit or otherwise challenge the legality or propriety of any transaction contemplated by this Agreement. Without limiting the foregoing, Sellers shall give Buyer prompt written notice of the occurrence of any of the following events of which Sellers or any of them has knowledge:

(a) (i) the commencement of any proceeding before the FCC or any other Governmental Authority involving any of the FCC Licenses, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a disproportionate impact on the Business or the Stations as compared with other broadcast television stations generally, and (ii) receipt of written communications from the FCC regarding the Assets, the Stations or the FCC Licenses;

(b) any event, fact or circumstance which has resulted or would reasonably be expected to result in the material failure of any of the representations and warranties of Sellers contained in this Agreement to be true and correct as of the Agreement Date and at and as of the Closing;

(c) any event, fact or circumstance which has resulted or would reasonably be expected to result in the failure of any condition set forth in Sections 8.1 or 8.2 to be satisfied prior to the Closing Date; and

(d) any Event of Loss involving assets or property having a book value, or replace or repair cost, of at least \$25,000.

Section 6.6. Tax Matters.

(a) All material Tax Returns, estimates, and reports with respect to the Assets or operation of the Business that are required to be filed by Sellers prior to the Closing Date, or relating to a Pre-Closing Tax Period, as applicable, will be timely filed when due with the appropriate taxing authorities or extension requests will have been timely filed and, if applicable, granted. All material Taxes pertaining to Sellers' ownership of the Assets or Sellers' operation of the Business prior to the Closing Date will be paid by Sellers when due and payable unless protested in good faith.

(b) Buyer and Seller shall each pay one-half of all governmental Taxes, fees and charges applicable to the transfer of the Assets under this Agreement (including sales, use and real or personal property transfer taxes and the costs of recording or filing all applicable conveyance instruments) (collectively, "Transfer Taxes"). The parties will cooperate in the

preparation, execution and filing of all Tax Returns regarding Transfer Taxes and in seeking or perfecting any available exemption from Transfer Taxes.

(c) To the extent not otherwise taken into account as an adjustment to the Purchase Price pursuant to Section 2.6, Sellers shall be responsible for and shall promptly pay when due all Property Taxes attributable to a Pre-Closing Tax Period. All Property Taxes levied for the Straddle Period shall be apportioned between Buyer and Sellers based on the number of days of such Straddle Period included in the Pre-Closing Tax Period and the number of days of such Straddle Period included in the Post-Closing Tax Period. Sellers shall be liable for the proportionate amount of such Property Taxes that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Property Taxes that is attributable to the Post-Closing Tax Period. Upon receipt of any bill for such Property Taxes, Buyer or Sellers, as applicable, shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 6.6(c) together with such supporting evidence as is reasonably necessary to calculate the proration amount. The proration amount shall be paid by the party owing it to the other within ten (10) days after delivery of such statement. In the event that Buyer or Sellers makes any payment for which it is entitled to reimbursement under this Section 6.6(c), the applicable party shall make such reimbursement promptly but in no event later than ten (10) days after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement.

Section 6.7. Retransmission Consent. Sellers have timely made election for retransmission consent for each of the full power stations with all MVPDs operating in the Stations' DMAs in compliance with the Communications Laws. Copies of all retransmission consent agreements have been made available in the Data Room.

## **ARTICLE VII OTHER MATTERS**

Section 7.1. Confidentiality. Each of Buyer (prior to the Closing) and Sellers (from and after the Closing) will maintain in strict confidence, and will cause its directors, officers, employees, agents, and advisors to maintain in strict confidence, any confidential information furnished pursuant to this Agreement by Sellers and any data and information relating to the Business, customers, financial statements, conditions or operations of the Business which is confidential in nature and not generally known to the public, unless (a) such information is already known to such Person or to others not bound by a duty of confidentiality or such information becomes publicly available through no action of such Person in violation of this Section 7.1, (b) the use of such information is necessary in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated by this Agreement, or (c) the furnishing or use of such information is required by or necessary in connection with any Proceeding, applicable requirements of any stock exchange, or applicable Legal Requirement.

Section 7.2. Employees.

(a) Sellers shall provide Buyer with an updated Schedule 4.15(a) not later than twenty days prior to the Closing Date. On the transfer date, Sellers shall assign to Buyer, and Buyer shall assume from Sellers (and Buyer shall thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms) all Liabilities arising out of, or attributable to, any period of time after 12:01 a.m. on such date, with respect to the Employment Contracts.

(b) Buyer shall offer employment in accordance with the provisions of this Section 7.2 to each active Station Employee listed on Schedule 4.15(a) effective on the Closing Date. Notwithstanding the foregoing, the offers of employment to any Station Employee who is covered by an Employment Contract shall take the form of assuming such Employment Contract and otherwise shall be made in accordance with the terms and conditions set forth in the applicable Employment Contract. Buyer's offer of employment to each Station Employee who is not actively employed as of the applicable effective date (the "Inactive Employees") shall be made promptly when such Inactive Employee is eligible to return to active service pursuant to Legal Requirements. Employees whose employment with Sellers terminates and who accept or are treated by Buyer as accepting such offers of employment by and actually commence employment with Buyer in accordance with this Section 7.2 are referred to collectively herein as the "Transferred Employees."

(c) Unless otherwise provided under the terms of an Employment Contract, each Transferred Employee shall be employed by Buyer on an at will basis and nothing shall prohibit Buyer from terminating the employment of any such Transferred Employees at any time after the applicable effective date of their employment with Buyer or changing any of the terms and conditions of employment related to such Transferred Employees at any time, except for such changes that are inconsistent with Buyer's obligations as set forth in this Section 7.2.

(d) If any Station Employee to whom Buyer has offered employment in accordance with this Section 7.2 does not consent to employment with Buyer or for any other reason (other than rescission of such offer by Buyer) does not commence employment with Buyer and if any severance benefits are owed to such employee as a result, such severance benefits will be paid by Sellers.

(e) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans" (including without limitation health insurance plans) and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively) in which similarly situated employees of Buyer are generally eligible to participate, with coverage effective immediately on the applicable effective date of their employment with Buyer (and without exclusion from coverage on account of any pre-existing condition under a group health plan except to the extent such persons were subject to such pre-existing condition limitations under Sellers' group health plan(s)). Station Employees' service with Sellers (and any predecessors of Sellers) will be deemed as service with Buyer for purposes of eligibility, waiting periods, vesting periods (but not benefit accrual) based on length of service, and calculation of vacation and severance benefits, if applicable. All Transferred

Employees shall be covered under Buyer's employee welfare benefit plans by no later than the first day of the first full month following the Effective Date.

(f) Effective as of the applicable effective date of their employment with Buyer or the payroll period ending immediately thereafter, Sellers shall have contributed to Sellers' 401(k) plan(s) all matching or other employer contributions, if any, with respect to the Transferred Employees' employment service rendered prior to the applicable effective date of their employment with Buyer (irrespective of any end-of-year service requirements otherwise applicable to such contributions) and cause any matching and other employer contribution amounts of all Transferred Employees under the Sellers' 401(k) plan(s) to become fully vested as of such date. Sellers shall take all actions necessary or appropriate to ensure that under the terms of the Sellers' 401(k) plan(s), each Transferred Employee with an account balance is eligible to receive a distribution as a result of their separation from employment with Sellers. From and after the applicable effective date of their employment with Buyer, Buyer shall permit each Transferred Employee who participates in Sellers' 401(k) plan(s) to elect to make direct rollovers of their account balances into Buyer's 401(k) plan, including any employee loan balances, subject to compliance with applicable law and subject to the reasonable requirements of Buyer's 401(k) plan.

(g) Each Transferred Employee will be credited under Buyer's vacation and sick leave policies with such prorated vacation and sick time as available to such Transferred Employee under Buyer's employment policies afforded to similarly situated employees of Buyer, (after giving credit for service with Sellers and their predecessors and Affiliates, provided that vacation and sick time shall only begin to accrue as of the Effective Time) for the portion of the calendar year following the effective date of their employment with Buyer. For purposes of clarity, no Transferred Employee will be credited with any unused vacation, sick or other leave time accrued by such employee under Sellers' policies and it shall be solely Sellers' obligation to pay to each such Transferred Employee the cash value of such unused vacation as required by applicable Legal Requirements. Sellers agree to make such payments as may be required pursuant to this Section 7.2(g) not later than five business days after the Closing Date.

(h) All workers' compensation obligations relating to, arising out of or resulting from any claim by any Station Employee that results from an injury that occurred prior to the effective date of their employment with Buyer shall be retained by Sellers. All workers' compensation obligations relating to, arising out of or resulting from any claim by a Transferred Employee that results from an injury that occurs after the effective date of their employment with Buyer shall be the exclusive responsibility of the Buyer. Sellers further agree that Buyer shall have no obligation to provide any disability or other benefits or compensation to any Station Employee unless and until they become a Transferred Employee.

(i) Buyer or its Affiliates will have responsibility for complying with the continuation coverage requirements under Section 4980B of the Code ("COBRA") solely for the Transferred Employees from and after the Closing Date. Without limiting the generality of the foregoing, Buyer shall have no responsibility at any time arising under or in connection with COBRA with respect to any individual who is a former employee of Sellers as of immediately prior to the Closing Date.

(j) Provided that Sellers provide Buyer with the information required to be set forth in Schedule 4.15(d), Buyer will indemnify and hold harmless Sellers from any Liabilities arising under the WARN Act due, in whole or in part, to Buyer's actions or omissions occurring after the Closing Date. Sellers shall indemnify and hold harmless Buyer from any Liabilities arising under the WARN Act due to (i) Sellers' actions or omissions occurring prior to or on the Closing Date or (ii) Buyer's reliance upon any inaccuracy in the information set forth in Schedule 4.15(d).

(k) The parties expressly acknowledge and agree that (A) all of the foregoing provisions of this Section 7.2 shall be subject to the terms and conditions of any benefit or compensation plan, program, agreement, contract, policy or arrangement of Buyer, and (B) nothing contained in this Section 7.2 or any other provision of this Agreement, shall (i) be construed to establish, amend, or modify any benefit or compensation plan, program, agreement, contract, policy or arrangement of Sellers or Buyer, (ii) limit the ability of Buyer or any of its Affiliates to amend, modify or terminate any benefit or compensation plan, program, agreement, contract, policy or arrangement at any time assumed, established, sponsored or maintained by any of them, (iii) create any third-party beneficiary rights or obligations in any Person (including any Station Employee or Transferred Employee) other than the parties to this Agreement or create a contract between Buyer, Sellers, or any of their respective Affiliates on the one hand and any employee of Sellers on the other hand, and no employee of Sellers may rely on this Agreement as the basis for any breach of contract claim against Buyer or Sellers, (iv) be deemed or construed to require Buyer or any of its Affiliates to continue to employ any particular employee of Sellers for any period after the Closing Date, or (v) be deemed or construed to limit Buyer's or any of its Affiliates' right to terminate the employment of any Transferred Employee during any period on or after the applicable effective date of their employment with Buyer or confer on any Person any right to employment or continued employment or to a particular term or condition of employment with Buyer or any of its Affiliates.

### Section 7.3. Title Commitments and Surveys.

(a) Title Insurance. Between the Agreement Date and the Closing Date, Buyer, with the cooperation of Sellers but at Buyer's sole expense, may obtain title commitments for each Real Property, issued by a title insurance company reasonably satisfactory to Buyer (the "Title Company"), together with legible photocopies of all recorded items described as exceptions therein (the "Title Commitments"), committing to insure fee simple title in Buyer to each parcel of Owned Real Property (collectively, the "Commitment Properties"), subject only to Permitted Encumbrances. Sellers shall use their commercially reasonable efforts to assist Buyer in obtaining the Title Commitments, title policies and Surveys within the time periods set forth herein, including, without limitation, removing from title any liens or encumbrances which are not Permitted Encumbrances. If Buyer notifies Sellers within 30 days after the Agreement Date of any Encumbrance (other than a Permitted Encumbrance), Sellers will exercise commercially reasonable efforts to, at Sellers' election, remove such Encumbrance or cause the Title Company to commit to insure over each such Encumbrance prior to the Closing. Each Party will deliver such reasonable affidavits and other customary closing documents as are required by the Title Company in order to issue title policies or to delete or insure over any Encumbrances. Buyer shall pay all fees, costs and expenses with respect to the Title Commitments and title policies; provided, however, Sellers shall be solely responsible for all fees, costs and expenses associated

with the cure of, or Title Company's insurance over, any Encumbrance. Notwithstanding the foregoing, all parcels of Owned Real Property shall be conveyed to Buyer by special warranty deed (without any exception noted thereon other than Permitted Encumbrances), .

(b) Surveys. If required by Buyer's lender or the Title Company, Buyer, with the cooperation of Sellers, will obtain a survey for each Commitment Property, dated no earlier than the Agreement Date, prepared by a licensed surveyor reasonably satisfactory to Buyer (the "Surveys"). The Surveys shall be completed within 30 days after the Agreement Date. Sellers shall have no obligation to cure any Survey Defects. A "Survey Defect" means any encroachment from or onto any of the Real Property or any portion thereof or any other survey defect, other than a Permitted Encumbrance, and which in any such case results or would reasonably be expected to result in a material adverse effect to Buyer's use of the parcel of Owned Real Property. Buyer shall pay all fees, costs and expenses with respect to the Surveys.

#### Section 7.4. Environmental Assessments.

(a) Phase I Investigations. Within 45 days from the Agreement Date (the "Phase I Time Period"), Buyer shall have the right, at its sole cost and expense, to engage an environmental consulting firm (the "Environmental Consultant") and to conduct and complete a Phase I Environmental Site Assessment and Compliance Review, as such terms are commonly understood (a "Phase I Environment Assessment"), with respect to the Owned Real Property, provided such assessment shall be conducted only (i) during regular business hours, (ii) with no less than two business days prior written notice to Sellers, and (iii) in a manner which will not unduly interfere with the operation of the Stations or the use of access to or egress from the Real Property.

(b) Phase II Investigations. If (i) any Phase I Environmental Assessment conducted pursuant to Section 7.4(a) above identifies a Recognized Environmental Condition (as such term is defined in the American Society of Testing and Materials' (ASTM) *Standards Practice for Environmental Site Assessments: Phase I Environmental Assessment Process*, E-1527-05) or any potential regulatory compliance violations, or the Environmental Consultant reasonably recommends further environmental investigatory or other corrective action in connection with the Owned Real Property, and (ii) Buyer delivers to Sellers a Phase I site assessment report and a recommendation for additional environmental investigations (the "Phase II Inspection") within 60 days from the Agreement Date, Buyer shall have the right, at its sole expense, subject to Sellers' approval set forth below, until 45 days from the expiration of the Phase I Time Period (the "Phase II Time Period"), to conduct the Phase II Inspection. Buyer shall provide to Sellers, within ten days following the Phase II Time Period, a copy of the Phase II report. All materials prepared or generated as part of the Phase I Environmental Assessment and the Phase II Investigation shall be considered and treated as confidential information pursuant to Section 7.1.

(i) Any Phase II Inspection shall be conducted only (A) during regular business hours upon reasonable notice to Sellers, (B) with no less than two business days prior written notice to Sellers, and (C) in a manner which will not unduly interfere with the operation of the Stations or the use of, access to or egress from the Real Property.

(ii) Any Phase II Inspection shall be performed in a professional and workmanlike manner. Buyer shall be responsible for obtaining all permits or other authorizations required to perform the work.

(iii) All individuals accessing the Real Property shall be properly licensed to perform the activities to the extent of any applicable Legal Requirements.

(iv) To the extent and in the event that any investigation-derived wastes resulting from the Phase II Investigation are required under applicable Environmental Laws to be treated or disposed of at an off-site location, Buyer shall so notify Sellers in writing. Buyer shall be responsible for identifying and recommending facilities which are authorized to accept such materials for treatment or disposal, and potential transporters to such facilities. Sellers shall be responsible for the selection of the treatment or disposal facility. The cost associated with such off-site transportation, treatment, or disposal shall borne by Sellers. Any manifests required to be executed as part of such activities shall be done by Sellers, or if Buyer executes such manifests at Sellers' request, Sellers shall indemnify Buyer for any liabilities arising from Buyer execution of the manifests.

(c) Buyer or Sellers may, in their discretion, provide the other Party with a response cost estimate ("Environmental Work Cost Estimate") to address any Recognized Environmental Condition, contamination, or regulatory compliance matter Buyer believes to be present on the Real Property or any other condition for which the Environmental Consultant has reasonably recommended further investigatory or other corrective action (the "Environmental Work"). The Environmental Work Cost Estimate shall set forth in reasonable detail the basis for such estimate and any supporting documentation. The Environmental Work shall be designed to meet the least stringent standards or requirements so as not to be a violation under applicable Environmental Laws. The cost associated with such Environmental Work shall borne by Sellers.

Section 7.5. Allocation of Consideration. All amounts constituting consideration within the meaning of and for the purposes of Section 1060 of the Code and the regulations thereunder shall be allocated among the Assets and any other rights acquired by Buyer hereunder, as applicable, in the manner required by Section 1060 of the Code. Promptly, and in any event within two hundred forty (240) days after the Closing, each of Buyer and Sellers shall provide information to the other, including any appraisal or allocation performed by a third party, regarding the providing party's proposed allocation of the Purchase Price in accordance with the requirements of Section 1060 of the Code, and, if the parties reach agreement with respect to such allocation, then each party agrees to complete and timely file IRS Form 8594 (or any successor form), to file all income Tax Returns in accordance with such agreed allocation, and to take no action inconsistent with such agreed allocation. If the parties do not reach agreement with respect to such allocation, then the parties shall have no further obligation under this Section 7.5 and each party shall make its own determination of such allocation for financial and Tax reporting purposes.

Section 7.6. Conveyance Free and Clear of Encumbrances. Except for Permitted Encumbrances or as otherwise provided in this Agreement, at or prior to the Closing, Sellers shall obtain the release of all Encumbrances on the Assets, and shall duly file releases of all such Encumbrances in each governmental agency or office in which any such Encumbrance or



evidence thereof shall have been previously filed, and Sellers shall transfer and convey, or cause to be transferred and conveyed, to Buyer at the Closing good and marketable title to all of the Assets free and clear of all Encumbrances, except for Permitted Encumbrances. Buyer with the cooperation of Sellers but at Buyer's sole cost may obtain lien search reports prepared by an independent, nationally recognized reporting service dated no earlier than 15 days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of Nebraska on PTCN and Delaware on LBC and Lincoln OpCo. Buyer shall deliver copies of such lien search reports to Sellers upon receipt.

Section 7.7. Receivables.

(a) On or as soon as practicable after the Closing Date, but in no event later than five (5) Business Days after the end of the month in which the Closing occurs, Sellers will deliver to Buyer statements setting forth the outstanding Receivables as of the Closing Date. Effective as of the Closing Date, Sellers shall assign to Buyer all of the Receivables solely for purposes of collection thereof as provided below.

(b) Subject to the terms and provisions in this Section 7.7, Buyer will collect the Receivables in the same manner and with the same diligence that Buyer uses to collect its own accounts receivables for a period of 90 days following the Closing Date (the "Collection Period"). Buyer will not be obligated to, and without the prior written consent of Sellers will not, institute litigation, employ any collection agency, legal counsel, or other third party, or take any other extraordinary means of collections or pay any expenses to third parties to collect the Receivables. All amounts collected by Buyer after the Closing from an account debtor will be applied first to the Receivables of such account debtor in the order of their origination, unless the account debtor disputes such Receivable or designates payment of a different Receivable in writing. If during the Collection Period a dispute arises with regard to an account included among the Receivables, Buyer shall promptly advise Sellers thereof and may (or, if requested by Sellers, or any of them shall) return that account to Sellers. Buyer shall not issue any credit or accommodation against any Receivable without the prior written consent of Sellers.

(c) Within 14 days after the end of each month during the Collection Period, Buyer will deliver to Sellers a written report with respect to the collections made with respect to the Receivables. Such report shall be accompanied by a payment to Sellers of the amount by which the collected Receivables received during such month.

(d) Within 14 days after the end of the Collection Period, Buyer shall deliver to Sellers a final written report ("Final Report") which report shall be accompanied by a final payment to Sellers of the amount of the Receivables collected during the Collection Period less any interim amounts theretofore remitted to Sellers. The Final Report shall contain (i) a statement of accounts for each account prepared substantially in the manner in which Buyer has heretofore prepared such report and (ii) a Receivables aging report for the Stations. Following the Collection Period, any outstanding Receivables shall be and remain Sellers and Sellers shall be entitled to collect such Receivables in any manner it sees fit.

(e) Buyer's obligation to collect Receivables will terminate on the last day of the Collection Period. Any clearly identifiable Receivables received by Buyer after the end of

the Collection Period will be paid over or forwarded to Sellers within 30 days after the end of the month in which such amount was received by Buyer.

(f) Effective upon the Closing Date, Sellers hereby appoint Buyer the true and lawful attorney for Sellers with full power of substitution, in the name of Buyer or the name of Sellers but in any event on behalf of and for the benefit of Sellers, to collect the Receivables, to endorse, without recourse, checks, notes and other instruments in the name of Sellers and to do all such further acts and things in relation thereto as is contemplated by this Section 7.7. Sellers further authorize Buyer and its officers to receive and open all mail, telegrams, packages, electronic mail and other communications that are addressed to Sellers and that relate to the Business, and to reply to such communications with copies to Sellers. The preceding sentence constitutes full authorization to the postal authorities, express courier companies and other persons to make delivery of such communications directly to Buyer or to persons specified by Buyer. Sellers confers this authority upon Buyer and its officers on the condition that Buyer shall promptly forward to Sellers all such mail, telegrams, electronic mail and other communications that do not relate solely to the Business or the Assets.

## **ARTICLE VIII CONDITIONS TO CLOSING**

Section 8.1. Conditions to Obligation of Buyer. The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to the Closing, of each of the following conditions (unless waived in writing by Buyer):

(a) Representations and Covenants.

(i) All representations and warranties of Sellers contained in this Agreement shall be true and correct as of the Agreement Date and at and as of the Closing Date (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the failure of the representations and warranties of Sellers contained in this Agreement to be so true and correct at and as of the Agreement Date or the Closing Date (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Business, provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded.

(ii) The covenants and agreements that by their terms are to be complied with and performed by Sellers at or prior to Closing shall have been complied with or performed by Sellers in all material respects.

(iii) Buyer shall have received a certificate dated as of the Closing Date from Sellers executed by an authorized officer or member of each of the Sellers to the effect that the conditions set forth in Sections Section 8.1(a)(i) and (ii) have been satisfied.

(b) Proceedings. None of Sellers nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) Deliveries. Sellers shall have complied with each of their obligations set forth in Section 2.9(a).

(d) Authorization Order. The Authorization Order shall have been entered by the Bankruptcy Court.

(e) FCC Authorization. The FCC Consent, including obtaining the continuation/replacement of the existing KWNB-TV waiver, without materially adverse conditions, shall have been granted and shall be in full force and effect and shall have become a Final Order unless finality is waived by the Buyer. Out of an abundance of caution, the parties understand that in the event Buyer waives finality and closing occurs, Seller will have no obligation to unwind the Agreement.

(f) Consents. The Required Consents (in form and substance reasonably acceptable to Buyer) shall have been obtained.

(g) No Material Adverse Effect. Since the Agreement Date, there shall not have occurred a Material Adverse Effect. For purposes of this Section, "Material Adverse Effect" means any event, state of facts, circumstance, development, change, effect or occurrence (an "Effect") that, individually or in the aggregate with any other Effect, has had or would reasonably be expected to have a materially adverse effect on the business, properties, assets, financial condition or results of operations of the Station and the Business, taken as a whole, or of the Owned Real Property, or on the ability of Sellers to perform its material obligations under this Agreement, other than any Effect arising out of or resulting from (a) any Effect affecting the economy of the United States generally, including changes in the United States or foreign credit, debt, capital or financial markets (including changes in interest or exchange rates) or the economy of any town, city, region or country in which the Station conducts business, (b) general changes or developments in the broadcast television industry to the extent that the Effect thereof is not disproportionately adverse to or on the Station or the Business compared to similar businesses, (c) the execution and delivery of this Agreement, the announcement of this Agreement and the transactions contemplated hereby, the consummation of the transactions contemplated hereby, the compliance with the terms of this Agreement or the taking of any action required by this Agreement or consented to in writing by Buyer, (d) earthquakes, hurricanes, natural disasters or global, national or regional political conditions, including hostilities, military actions, political instability, acts of terrorism or war or any escalation or material worsening of any such hostilities, military actions, political instability, acts of terrorism or war existing or underway as of the date hereof (other than any of the foregoing that causes any material damage or destruction to or renders unusable any material Assets), only to the extent that the Effect thereof is not disproportionately adverse to or on the Station or the Business compared to similar businesses, (e) any failure, in and of itself, by Sellers or any Station to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (it being understood that the underlying facts or occurrences giving rise to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be a Material Adverse Effect); (f) any Effect that results from any action taken at the express prior request of Buyer or with Buyer's prior written consent; (g) any breach by Buyers of their obligations under this Agreement; or (h) changes in Applicable Law or generally accepted accounting principles or the interpretation thereof.

(h) items on Schedule 4.6 shall be completed or there shall be a reduction in the Purchase Price as agreed upon pursuant to Schedule 4.6.

Section 8.2. Conditions to Obligation of Sellers. The obligation of Sellers to consummate the Closing hereunder is subject to satisfaction, at or prior to the Closing Date, of each of the following conditions (unless waived in writing by Sellers):

(a) Representations and Covenants.

(i) All representations and warranties of Buyer contained in this Agreement shall be true and correct as of the Agreement Date and at and as of the Closing Date (other than any representation or warranty that is expressly made as of a specified date, which need be true and correct as of such specified date only), except to the extent that the failure of the representations and warranties of Buyer contained in this Agreement to be so true and correct at and as of the Agreement Date (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Business; provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded;

(ii) The covenants and agreements that by their terms are to be complied with and performed by Buyer at or prior to the Closing shall have been complied with or performed by Buyer in all material respects.

(iii) Sellers shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 8.2(a)(i) and (ii) have been satisfied.

(b) Proceedings. None of Sellers nor Buyer shall be subject to any court or governmental order or injunction, which remains in effect, prohibiting or making illegal the consummation of the transactions contemplated hereby.

(c) Authorization Order. The Authorization Order shall have been entered by the Bankruptcy Court.

(d) FCC Authorization. The FCC Consent shall have been granted and shall be in full force and effect and shall, unless waived by Buyer, have become a Final Order.Deliveries. Buyer shall have complied with each of its obligations set forth in Section 2.9(b).

## **ARTICLE IX SURVIVAL/INDEMNIFICATION**

Section 9.1. Survival of Representations and Warranties. Sellers' representations as provided in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing Date. Except for claims involving fraud, all representations and warranties contained in Articles IV and V, or in the certificates delivered pursuant to this Agreement to the extent relating to such representations and warranties, will survive the Closing and will remain in

full force and effect until the date that is 12 months after the Closing Date, at which time they will terminate and no claims with respect to such representations and warranties (or in such certificates, to the extent they relate to such representations and warranties) shall be made by any Person for indemnification thereafter). The covenants and agreements of the parties hereto contained in this Agreement shall survive until they are fully performed or, if earlier, until the expiration thereof set forth in the terms of such covenant and agreement.

Section 9.2. Indemnification by Buyer. From and after the Closing Date, Buyer shall indemnify and save and hold harmless Sellers and their Affiliates (the “Sellers’ Indemnitees”) from and against all Damages suffered by any such Sellers’ Indemnitees resulting from or arising out of: (i) any breach by Buyer of its representations and warranties made under this Agreement or in any certificate delivered by Buyer pursuant to this Agreement; (ii) any nonfulfillment or breach of any covenant or agreement made by Buyer in this Agreement; (iii) Buyer’s ownership and use of the Assets and ownership and operation of the Stations on and after the Effective Time (except for the Retained Liabilities); (iv) the Assumed Liabilities; (v) any failure of Buyer to comply with its obligations under this Section 9.2; and (vi) any fees or expenses (including without limitation, reasonable attorneys’ fees) incurred by Sellers or any of them in enforcing its rights hereunder. Notwithstanding the foregoing, Buyer will have no Liability to Sellers for any claims with respect to which Sellers has not notified Buyer in accordance with Section 9.4 prior to the expiration of the applicable survival period set forth in Section 9.1.

Section 9.3. Indemnification by Sellers. From and after the Closing Date, and subject to the limitations in Section 9.5, Sellers shall indemnify and save and hold harmless Buyer and its Affiliates (the “Buyer Indemnitees”) from and against any Damages resulting from or arising out of: (i) any breach by Sellers of their representations or warranties made under this Agreement or in any certificate delivered by Sellers pursuant to this Agreement; (ii) any nonfulfillment or breach of any covenant or agreement made by Sellers in this Agreement; (iii) any inaccuracy in any Schedule provided by Sellers that would have a material adverse effect on Buyer; (iv) the Excluded Assets or Retained Liabilities; (v) Seller’s ownership and use of the Assets and operation or ownership of the Stations prior to the Effective Time (except for the Assumed Liabilities); (vi) any Proceedings which are due to the conduct of Sellers or the Station on or prior to the Closing Date; (vii) any Retained Liabilities, (viii) any failure of Sellers to comply with their obligations under this Section 9.3; or (ix) any fees or expenses (including without limitation, reasonable attorneys’ fees) incurred by Buyer in enforcing its rights hereunder. Notwithstanding the foregoing, Sellers will have no Liability to Buyer for any claims with respect to which Buyer has not notified Sellers in accordance with Section 9.4 prior to the expiration of the applicable survival period set forth in Section 9.1.

#### Section 9.4. Indemnification Procedures.

(a) If and indemnified party desire to assert any claim for indemnification provided for under this Article IX in respect of, arising out of or involving a claim or demand made by any Person (other than a Party hereto or Affiliate thereof) against the Sellers’ Indemnities (a “Third Party Claim”), such indemnified party shall notify Buyer or Sellers, as the case may be (the “Indemnifying Party”), in writing of such Third Party Claim, the amount or the estimated amount of Damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim), any other remedy sought

thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto (a “Third Party Claim Notice”) promptly after receipt by such indemnified party of written notice of the Third Party Claim; provided, however, that failure to provide a Third Party Claim Notice shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure. The indemnified party shall deliver to the Indemnifying Party, promptly after the indemnified party’s receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim; provided, however, that the failure to deliver such copies shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure.

(b) If a Third Party Claim is made against an indemnified party, the Indemnifying Party will be entitled to participate in the defense thereof and, if it so chooses and acknowledges without reservation its obligation to indemnify the indemnified party therefor, to assume the defense thereof with counsel selected by the Indemnifying Party and reasonably satisfactory to the indemnified party. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the indemnified party for legal expenses subsequently incurred by the indemnified party in connection with the defense thereof, unless the Third Party Claim involves potential conflicts of interest or substantially different defenses for the indemnified party and the Indemnifying Party or the Indemnifying Party fails to diligently pursue the defense thereof. If the Indemnifying Party assumes such defense, the indemnified party shall have the right to participate in defense thereof and to employ counsel, at its own expense (except as provided in the immediately preceding sentence), separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party shall control such defense. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the indemnified party for any period during which the Indemnifying Party has not assumed the defense thereof and as otherwise contemplated by the two immediately preceding sentences. If the Indemnifying Party chooses to defend any Third Party Claim, all the parties hereto shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Indemnifying Party’s request) the provision to the Indemnifying Party of records and information that are reasonably relevant to such Third Party Claim, and the use of reasonable efforts to make employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, if the indemnified party admits any liability with respect to, or settles, compromises or discharges, such Third Party Claim without the Indemnifying Party’s prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), then such admission, settlement or compromise will not be binding upon or constitute evidence against the Indemnifying Party for purposes of determining whether the indemnified party has incurred Damages that are indemnifiable pursuant to this Article IX or the amount thereof. The Indemnifying Party may pay, settle or compromise a Third Party Claim, but only with the written consent of the indemnified party and only so long as such settlement (A) includes an unconditional release of the indemnified party from all liability in respect of such Third Party Claim; (B) does not subject the indemnified party to any injunctive relief or other equitable remedy; (C) does not include a statement or admission of fault, culpability or failure to act by or on behalf of any indemnified party; and (D) does not impose any ongoing obligation of any kind on the indemnified party.

(c) If an indemnified party shall desire to assert any claim for indemnification provided for under this Article IX other than a claim in respect of, arising out of or involving a Third Party Claim (a “Direct Claim”), such indemnified party shall promptly notify the Buyer in writing of such Direct Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Direct Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto (a “Direct Claim Notice”).

(d) The Buyer shall have a period of 20 days within which to respond to any Direct Claim Notice or any Third Party Claim Notice. If the Buyer does not respond within such 20-day period, the Buyer will be deemed to have accepted such claim. If the Buyer rejects all or any part of such claim, Sellers and Buyer shall attempt in good faith for 20 days to resolve such claim. If no such agreement can be reached through good faith negotiation within 20 days, either Buyer or Sellers may commence an action against the other Party.

#### Section 9.5. Limitations on Indemnification.

(a) Except as provided below, in no event shall the aggregate indemnification to be paid by Sellers pursuant to Section 9.3 exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) (the “Cap”). Moreover, Sellers shall have no indemnification liability until, and only to the extent that, the aggregate amount of all claims for which indemnification sought by Buyer exceeds \$25,000 (the “Basket”); provided, however, that (x) claims for fraud shall not be subject to the Threshold or the Cap, and (y) claims for any Damages incurred by the Buyer Indemnified Parties (A) arising out of or resulting from the breach or inaccuracy of any of the representations and warranties made by Sellers in Section 4.1 (Organization), Section 4.2 (Authorization), Section 4.5 (Title), the second sentence of Section 4.7 (Real Property), Section 4.10 (Government Authorizations), Section 4.14 (Taxes), and Section 4.18 Environmental Matters) and (B) pursuant to Section 9.3(ii)-(ix), shall not be subject to the Threshold or Cap.

(b) No indemnified party shall be entitled to recover from an Indemnifying Party more than once in respect of the same Damages, nor shall an indemnified party be entitled to recover from Indemnifying Party any payments that were included in the Purchase Price adjustments pursuant to Section 2.7.

(c) Notwithstanding anything to the contrary in this Article IX, in no event shall Indemnifying Party have liability to any indemnified party for any consequential, special, incidental, indirect or punitive damages except to the extent adjudicated and owed to a third party with respect to a Third Party Claim.

(d) Post-Closing Indemnity Escrow. From and after the Closing, and pursuant to the terms of the Indemnity Escrow Agreement, the Indemnity Escrow Amount will be held by the Escrow Agent as collateral security for the obligations of Sellers to indemnify the Buyer Indemnitees under this Article IX.

Section 9.6. Mitigation. Each Party shall take commercially reasonable actions to mitigate losses, including by pursuing insurance claims and claims against third parties, and shall

reasonably consult and cooperate with the other Party with a view toward mitigating Damages upon and after becoming aware of any event or condition which would reasonably be expected to give rise to any Damages that are indemnifiable hereunder.

Section 9.7. Exclusive Remedy. Buyer and Sellers acknowledge and agree that, with respect to the Assets, the indemnification provisions of this Article IX shall be the sole and exclusive remedy of the parties hereto following the Closing for any losses arising out of any breach of the representations, warranties, covenants or agreements of the parties contained in this Agreement, provided that nothing in this Article IX will limit any Person's right to any remedy based on fraud or intentional misconduct or any right to specific performance or other injunctive remedy. In furtherance of the foregoing, each of Buyer and Sellers hereby waive, to the fullest extent permitted under applicable law, except in the case of fraud or intentional misconduct, any and all rights, claims and causes of action it may have against the other arising under or based upon any federal, state or local law, rule or regulation (including any such rights, claims or causes of action arising under or based upon common law, tort or otherwise and relating to this Agreement, any Related Agreement, including any certificate delivered pursuant to this Agreement or the transactions contemplated hereby, other than any rights, claims or actions arising under this Article IX.

## **ARTICLE X TERMINATION**

Section 10.1. Termination of Agreement. This Agreement may be terminated at any time prior to the Closing as follows:

(a) Buyer and Sellers may terminate this Agreement by mutual written consent;

(b) Buyer may terminate this Agreement by giving written notice to Sellers if Buyer is not in breach of this Agreement and Sellers have breached any representation, warranty, or covenant contained in this Agreement in any material respect to the extent that Section 8.1(a)(i) would not be satisfied and such breach has not been cured by Sellers within 30 days after written notice of such breach is delivered by Buyer to Sellers provided that if such breach can be cured prior to Closing and upon receipt of notice thereof, Sellers proceed in good faith to cure such breach prior to Closing; or

(c) Sellers may terminate this Agreement by giving written notice to Buyer if Sellers are not in breach of this Agreement and Buyer has breached any representation, warranty, or covenant contained in this Agreement in any material respect to the extent that Section 8.2(a)(i) would not be satisfied and such breach has not been cured by Buyer within 30 days after written notice of such breach is delivered by Sellers to Buyer provided that if such breach can be cured prior to Closing and upon receipt of notice thereof, Buyer proceeds in good faith to cure such breach prior to Closing;

(d) subject to the auction delay exception in Section 2.8(a), by Buyer or Sellers by written notice to the other Party if the Closing has not occurred on or before the date that is twelve (12) months from the Agreement Date.



(e) by either Buyer or Sellers if any Governmental Authority shall have issued a final and non-appealable Governmental order permanently restraining, enjoining or otherwise prohibiting consummation of the transactions in this Agreement.

Section 10.2. Specific Performance. Subject to Section 10.3, the parties hereto acknowledge and agree that Buyer 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 Sellers hereto could not be adequately compensated by monetary damages alone and that Buyer would not have any adequate remedy at law. Accordingly, in addition to any other right or remedy to which Buyer may be entitled, at law or in equity (including monetary damages), subject to Section 10.3, prior to the termination of this Agreement pursuant to Section 10.1, Buyer shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief, subject to obtaining the required FCC Consent, 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 hereto agree that Buyer shall be entitled to enforce specifically (a) i Seller's obligations under Article III; and (b) Seller's obligation to consummate the transactions contemplated by this Agreement (including the obligation to consummate the Closing), if the conditions set forth in Section 8.2 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived.

Section 10.3. Effect of Termination.

(a) Subject to Section 10.2, in the event of a termination of this Agreement by either Sellers or Buyer as provided in Section 10.1, this Agreement shall forthwith become null and void and there shall be no Liability on the part of Sellers, Buyer or their respective directors, officers, employees, incorporators, members, partners, Affiliates, agents, attorneys or representatives; provided that the provisions of this Section 10.3, Section 7.1 (Confidentiality), Section 11.4 (Entire Agreement), Section 11.6 (Governing Law; Waiver of Jury Trial), Section 11.9 (Expenses), Section 11.10 (Neutral Construction), Section 11.14 (Counterparts; Delivery by Facsimile/Email), shall remain in full force and effect and survive any termination of this Agreement; provided, however, that any such termination shall not relieve any party of any liability for any breach or default that occurred prior to such termination.

(b) Upon termination of this Agreement pursuant to Section 10.1, Buyer will promptly cause to be returned to Sellers all documents and information obtained in connection with this Agreement and the transactions contemplated by this Agreement and all documents and information obtained in connection with Buyer's investigation of the Business, Stations and Assets, including any copies made by Buyer or any of Buyer's agents of any such documents or information

(c) Upon termination of this Agreement pursuant to Sections 10.1(a), (b), (d) or (e), the Escrow Funds shall be returned to Buyer. Except as otherwise set forth in this Agreement, in the event of termination of this Agreement pursuant to Section 10.1(c), the Escrow Funds shall be released to Sellers as liquidated damages. The Parties acknowledge that actual damages would be difficult or impossible to calculate and that such liquidated damages

amount represents the Parties' reasonable estimate of actual damages and does not constitute a penalty.

## **ARTICLE XI MISCELLANEOUS**

### **Section 11.1. Event of Loss.**

(a) After the Effective Time, Buyer shall bear all risk of loss with respect to the Closing Assets.

(b) The risk of all Events of Loss with respect to the Assets at all times up to the Effective Time shall be borne by Sellers. Upon the occurrence of an Event of Loss with respect to the Assets prior to the Closing Date, Sellers shall take commercially reasonable steps to repair, replace and restore damaged, destroyed or lost property to its condition prior to any such loss, damage, or destruction. In the event of any Event of Loss with respect to the Assets, the proceeds of any related claim payable under any insurance policy with respect thereto shall be used to repair, replace, or restore any such property to its former condition subject to the conditions stated below. In the event of any Event of Loss with respect to the Assets, Sellers shall notify the Buyer thereof in writing as soon as practicable after Sellers becomes aware of Event of Loss. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the property is not repaired, replaced or restored to its condition prior to any such loss, damage, or destruction on or before the scheduled Closing Date Buyer at its option: (i) may, in the case of an Event of Loss which involving assets or property having a book value, or replace or repair cost, of at least \$100,000, elect to postpone Closing until such time as the property has been completely repaired, replaced or restored (and, if necessary, Sellers shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs, but which postponement will not waive Buyer's rights pursuant to Section 10.1(d) hereof); or (ii) may elect to consummate the Closing and accept the property in its then condition, in which event Sellers shall pay to Buyer all related proceeds of insurance (including any deductible in connection therewith) and assign to Buyer the right to any related unpaid proceeds.

Section 11.2. No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

### **Section 11.3. Successors and Assigns.**

(a) This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party. Any purported assignment or delegation in violation hereof shall be null and void. Notwithstanding the foregoing, without such prior written consent, Buyer may assign this Agreement and any or all rights, interests and obligations hereunder (including Buyer's right to purchase the Assets and to seek indemnification hereunder) to (a) any Affiliate

of Buyer or any third party whether under Section 11.3(b) or not or (b) for collateral purposes, to any holder of indebtedness of Buyer or any trustee or agent therefor; provided, in each case, that Buyer shall give Sellers prior written notice of any such assignment and that any such assignment and delegation shall not materially delay, hinder or prohibit the FCC Consent, the FCC Consent becoming a Final Order, or the consummation of the transactions contemplated hereby and, provided further, notwithstanding any such assignment or delegation by Buyer, Buyer shall remain obligated for all of its obligations under this Agreement

(b) Each of the Sellers and Buyer shall have the right to assign its respective rights under this Agreement (but without release of its respective obligations herein and without release of the other party's obligations herein) to a third party who may act as a "qualified intermediary" or an "exchange accommodation titleholder" with respect to this Agreement in accordance with the provisions of Section 1031 of the Code, the Treasury Regulations promulgated thereunder, and any corresponding state or local income Tax laws (such assignment and related transactions, a "Like-Kind Exchange"). If either party elects to engage in a Like-Kind Exchange, the party so electing (the "Electing Party") shall notify the other party of its election in writing no later than five (5) days prior to the Closing, identifying those Assets that it intends to qualify as part of the Like-Kind Exchange. The Electing Party shall bear its own expenses in connection with any such election to engage in a Like-Kind Exchange. Each of Sellers and Buyer, as the case may be, shall cooperate fully with the Electing Party, and take any action reasonably requested in writing by the Electing Party, in connection with enabling the transactions to qualify in whole or in part as a Like-Kind Exchange; *provided, however*, that such actions do not impose any liabilities, including any unreimbursed monetary obligations or costs, on Sellers or Buyer and does not release Buyer or Sellers from its obligations under this Agreement, as the case may be, and that the Electing Party shall promptly reimburse the other party for any third-party costs reasonably incurred in connection with such election, including as the result of any subsequent review of such election by any Governmental Authority or any attendant Tax consequences.

Section 11.4. Entire Agreement. This Agreement (including the Exhibits and Schedules hereto and any other agreements and documents referred to in this Agreement) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they are related in any way to the subject matter hereof.

Section 11.5. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt) or (b) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a Party may designate by notice to the other Parties; provided, however, that any such change shall be effective only upon receipt by the other Parties):

If to Sellers:	Pappas Telecasting of Central Nebraska L.P. Lincoln Broadcasting LLC Pappas Telecasting of Lincoln, L.P. c/o The Stapleton Group
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515 South Flower Street, 36<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attention: David P. Stapleton  
Fax: (213) 235-0620 with a copy to (559) 733-7878

Copies (which shall not constitute notice) to: Pepper Hamilton LLP  
1313 North Market Street, Suite 5100  
Wilmington, DE 19801  
Attention: David B. Stratton, Esq. and Evelyn J. Meltzer, Esq.  
Email: strattod@pepperlaw.com/meltzere@pepperlaw.com  
Fax: (302) 421-8390

And Fletcher Heald & Hildreth, PLC  
1300 N. 17<sup>th</sup> Street, Suite 1100  
Arlington, VA 22209  
Attention: Kathleen Victory, Esq.  
Email: victory@fhhlaw.com  
Fax: 703-812-0486

If to Buyer: Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Rd.  
Hunt Valley, MD 21030  
Attention: President  
Fax: (410) 568-1533

Copy (which shall not constitute notice) to: Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Rd.  
Hunt Valley, MD 21030  
Attention: General Counsel  
Fax: (410) 568-1537

Section 11.6. Governing Law; Waiver of Jury Trial. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Section 11.7. Amendments and Waivers. No amendment of any provision of this Agreement will be valid unless the same is in writing and signed by Buyer and Sellers. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant under this Agreement, whether intentional or not, will be deemed to extend to any prior or subsequent

default, misrepresentation, or breach of warranty or covenant under this Agreement or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 11.8. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 11.9. Expenses. Except as otherwise expressly provided in this Agreement, each of Sellers and Buyer will bear their/its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated by this Agreement.

Section 11.10. Neutral Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 11.11. Further Assurances. After the Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

Section 11.12. Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

Section 11.13. Headings. The Article and Section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

Section 11.14. Facsimile/Electronic; Counterparts Signatures. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by facsimile transmission or electronic mail in pdf form, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email as a defense to the formation or enforceability of a contract and each such party forever waives any such defense which will be deemed an original but all of which together will constitute one and the same instrument.

Section 11.15. Exclusivity. Sellers agree and covenant that after the entry of the Authorization Order but prior to the Closing or the termination of this Agreement, none of Sellers nor any of their Affiliates or representatives will discuss, negotiate or offer (or solicit offers) regarding a sale, transfer or other disposition of the Assets or any merger, combination, restructuring, refinancing or similar transaction involving Sellers with another Person or provide any information to any other Person regarding the Stations or Sellers in that connection.

Section 11.16. Time is of the Essence. Time is of the essence with respect to each party's performance of its obligations hereunder.

Section 11.17. Submission to Jurisdiction; Consent to Service of Process.

(a) Without limiting any Party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated by this Agreement, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 11.5; provided, however, that if the bankruptcy case has closed, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Delaware and any appellate court from any thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the Parties hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 11.5.

**[Remainder of Page Intentionally Left Blank]**

**IN WITNESS WHEREOF**, the Parties have executed this Asset Purchase Agreement as of the date first written above.

**SELLERS:**

**PAPPAS TELECASTING OF CENTRAL NEBRASKA, L.P. /  
PAPPAS TELECASTING OF LINCOLN, LLC**

By: Pappas Telecasting Companies, Managing Member

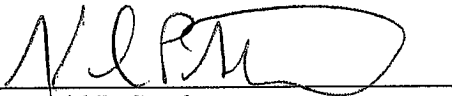


Name: David P. Stapleton

Title: Trustee, Pappas Liquidating Trust, Sole Shareholder

**LINCOLN BROADCASTING LLC**

By: KFXL Television LLC



Name: David P. Stapleton

Title: Trustee, Pappas Liquidating Trust, member of Pappas  
Telecasting of Lincoln, LLC

**BUYER:**

**SINCLAIR TELEVISION GROUP, INC.**



Name: Chris Ripley

Title: Chief Financial Officer