

EQUITY PURCHASE AGREEMENT

Dated as of April 8, 2013

by and between

TTBG LLC

and

Sinclair Television Group, Inc.

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## EQUITY PURCHASE AGREEMENT

THIS EQUITY PURCHASE AGREEMENT (this “**Agreement**”) is made as of the 8th day of April, 2013, by and between TTBG LLC, a Delaware limited liability company (“**Seller**”), and Sinclair Television Group, Inc., a Maryland corporation (“**Buyer**”).

### RECITALS

WHEREAS, Seller owns all of the outstanding membership interests (“**Interests**”) of TTBG El Paso OpCo, LLC, a Delaware limited liability company (“**TTBG OpCo**”);

WHEREAS, TTBG OpCo owns all of the outstanding membership interests of TTBG /KDBC License Sub, LLC, a Delaware limited liability company (“**TTBG License Sub**”, together with TTBG OpCo, the “**Company**”);

WHEREAS, the Company is the owner and licensee of broadcast television station KDBC-TV, El Paso, Texas (“**Station**”), pursuant to licenses issued by the Federal Communications Commission (“**FCC**”); and

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer the Interests on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements to be derived from this Agreement, Buyer and Seller hereby agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.01. Definitions.** As used in this Agreement, the following terms shall have the following meanings:

“**Accounting Firm**” means (a) an independent certified public accounting firm in the United States of national recognition mutually acceptable to Seller and Buyer or (b) if Seller and Buyer are unable to agree upon such a firm, then the regular independent auditors for Seller and Buyer shall mutually agree upon a third independent certified public accounting firm, in which event, “**Accounting Firm**” shall mean such third firm.

“**Action**” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“**Affiliate**” means, with respect to any Person (the “**First Party**”), any other Person directly or indirectly Controlling, Controlled by or under common Control with the First Party.

“**Ancillary Agreements**” means the Escrow Agreement, the Indemnity Escrow Agreement, and any other certificate, agreement, document or other instrument to be executed and delivered in connection with the transactions contemplated by this Agreement.

**“Antitrust Laws”** means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other federal, state and foreign, if any, Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

**“Balance Sheet Date”** means January 31, 2013.

**“Business”** means the business and operations of the Station. For the avoidance of doubt, the term “Business” does not also refer to the same or similar business and operations of television stations operated by Seller or its Affiliates other than the Station.

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

**“Cash and Cash Equivalents”** means those items which are required by GAAP to be included as “cash” or “cash equivalents” on the Business Financial Statements as of the Effective Time.

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

**“Communications Laws”** means collectively, the Communications Act of 1934, as amended, the Telecommunications Act of 1996, the Children’s Television Act of 1990, and the rules, regulations and written policies of the FCC promulgated under the foregoing, in each case, as in effect from time to time.

**“Confidentiality Agreement”** means the non-disclosure agreement between Seller and Buyer, dated as of March 13, 2013.

**“Contracts”** means contracts, agreements, leases, non-governmental licenses, sales and purchase orders and other agreements (including Leases, Real Property Leases and employment agreements), written or oral (in each case, including any amendments or modifications thereto).

**“Control”** means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms **“Controlled”** and **“Controlling”** shall have a correlative meaning.

**“Copyrights”** means all copyrights and copyright applications and registrations therefor used by the Company primarily in connection with the Business.

**“Effective Time”** means 12:01 a.m., New York City time, on the Closing Date.

**“Employee Plan”** means any (a) employee benefit plan, agreement, arrangement or policy, whether or not subject to ERISA, including any retirement, pension, deferred compensation, severance, profit sharing, savings, group health, dental, life insurance, disability, cafeteria or vacation plan, agreement, policy or arrangement; (b) any equity or equity-based

compensation plan or arrangement; (c) any bonus or incentive arrangement; and (d) any severance or termination agreements, policies or arrangements that are not covered by ERISA; in each case, sponsored, maintained or contributed to or required to be maintained or contributed to by the Company or with respect to which the Company has or may have actual or contingent liability or obligation for the benefit of any current or former Employee who is or was directly engaged, exclusively, in the Business.

**“Employees”** means the full-time, part-time and per diem employees employed by the Company engaged in the Business, other than those employees set forth on Disclosure Schedule Section 1.01(a), it being understood that any employee of Seller or the Company whose principal work location is at the Other Seller Stations or whose employment responsibilities relate substantially to the corporate operations of Seller taken as a whole shall not be deemed **“Employees”** for any purposes hereunder.

**“Environmental Laws”** means any Law in effect on the date of this Agreement whether local, state, or federal relating to (a) Releases or threatened Releases of Hazardous Materials into the environment, (b) the use, treatment, storage, disposal, handling, discharging or shipment of Hazardous Material, (c) the regulation of storage tanks, or (d) otherwise relating to pollution or protection of human health, occupational safety and the environment.

**“Equipment”** means all machinery, equipment, computers, motor vehicles, furniture, fixtures, furnishings, towers, antennas, transmitters, tools, toolings, parts, blank films and tapes and other items of tangible personal property owned or leased by the Company and located at or used primarily in connection with the operation of the Business (other than such items that are no longer in use at the Station as a result of obsolescence or having been replaced by other property).

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

**“Escrow Agent”** means JPMorgan Chase Bank.

**“FCC Consent”** means the FCC’s grant of its consent to the transfer of the FCC Licenses.

**“FCC Licenses”** means the licenses, permits and other authorizations issued by the FCC to TTBG License Sub for use in the operation of the Station, each of which is identified on Disclosure Schedule Section 3.12(a), and any other license, permit or other authorization, including any temporary waiver or special temporary authorization and any renewals thereof issued by the FCC to TTBG License Sub for use in the operation of the Station or any transferable pending application therefor.

**“Final Order”** means an action by the FCC (a) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (b) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or *sua sponte* review by the FCC is pending; and (c) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

**“GAAP”** means United States generally accepted accounting principles as in effect on the Balance Sheet Date, consistently applied.

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

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

**“Hazardous Material”** means hazardous or toxic wastes, chemicals, substances, constituents, pollutants or related material, whether solids, liquids, or gases, defined or regulated under § 101(14) of CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300(f) et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq. or any similar applicable federal, state or local Environmental Laws.

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

**“Income Taxes”** means income, franchise, doing business and similar taxes.

**“Indebtedness”** means, with regard to any Person, any liability or obligation, whether or not contingent, (a) in respect of borrowed money or evidenced by bonds, monies, debentures, loan agreements, or similar instruments or upon which interest payments are normally made, (b) for the payment of any deferred purchase price of any property, assets or services (including pursuant to capital leases) but excluding trade payables and Program Rights Obligations, (c) guaranties, direct or indirect, in any manner, of all or any part of any Indebtedness of any Person, (d) all obligations under acceptance, standby letters of credit or similar facilities, (e) all matured obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any membership interests, shares of capital stock or other ownership or profit interest or in respect of any warrants, rights or options to acquire such membership interests, shares or such other ownership or profit interest, (f) all accrued interest on all obligations referred to in clauses (a) - (e) and (g) all obligations referred to in clauses (a) - (f) of a third party secured by any Lien on property or assets.

**“Intangible Property”** means all of the Company’s rights in any (a) Copyrights; (b) Trademarks, including all of the rights, if any, of the Company in and to the Station’s call letters and any derivative thereof; (c) Trade Secrets; (d) all domain leases and names used by the Company primarily in connection with the Business; and (e) all goodwill, if any, associated therewith, other than, in each case, any Intangible Property not used primarily in connection with the operation of the Business.



**“Knowledge of Seller”** means the actual knowledge of J. Daniel Sullivan, Jim Sandry, David Pulido, and the general manager and chief engineer of the Station (or person holding a similar position, but not including any contract employee or consultant).

**“Law”** means any United States (federal, state, local) or foreign law, constitution, treaty statute, ordinance, regulation, rule, code, order, judgment, injunction, writ or decree.

**“Leases”** means those leases, subleases, licenses or other occupancy agreements (including any and all assignments, amendments and other modifications of such leases, subleases, licenses and other occupancy agreements), in which the Company holds an interest as landlord, licensor, sublandlord or sublicensor.

**“Lien”** means, with respect to any property or asset, any mortgage, lien, pledge, charge, easement, right of way, restrictive covenant, encroachment, security interest or encumbrance of any kind whatsoever, whether voluntarily incurred or arising by operation of Law or otherwise, in respect of such property or asset.

**“Market”** means El Paso, Texas.

**“Material Adverse Effect”** means any effect or change that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on (a) the financial condition, assets, or results of operations of the Station, considered together, or (b) the ability of Seller to perform its obligations under this Agreement; *provided, however*, that any material adverse effect primarily attributable to (i) an event or series of events or circumstances affecting the United States or global economy generally or capital or financial markets generally, including changes in interest or exchange rates, (ii) any event, state of facts or circumstances or development affecting television sales services or programming services generally or the television broadcast industry generally (including legislative or regulatory matters), including, without limitation, any changes to the FCC’s ownership or attribution rules or policies and any developments relating to the FCC’s incentive auction and “repacking” of the television broadcast spectrum, (iii) any change or development in national, regional, state or local telecommunications or internet transmission systems, (iv) general economic conditions, including any downturn caused by acts of war or terrorism or escalations of existing wars or a natural disaster, such as an earthquake or hurricane, (v) the suspension of trading generally on the New York Stock Exchange or the Nasdaq Stock Market, (vi) the announcement, execution and performance of this Agreement, (vii) any action taken by Seller or the Company as expressly contemplated by this Agreement or with Buyer’s written consent or at Buyer’s written request, (viii) any failure to meet internal or published financial or rating projections, estimates or forecasts of revenues, earnings, or other measures of financial or operating performance for any period (*provided, however*, that the underlying causes of such failure (subject to the other provisions of this definition) shall not be excluded), (ix) changes in Law or GAAP or the interpretation thereof, (x) the ratings or performance of any network with which a Station is affiliated, or (xi) any breach by Buyer of its obligations hereunder, in each case, shall not constitute a Material Adverse Effect.

**“Material Contract”** means any Contract required to be listed on Disclosure Schedule Section 3.05(a).

**“MVPDs”** means any multi-channel video programming distributor, including cable systems, telephone companies and DBS systems.

**“Net Working Capital”** means the current assets of the Company (including any reserve for bad debts, if any, but excluding any intercompany account balances) less the current liabilities of the Company (other than the current portion of any Indebtedness, intercompany account balances, and “accrued employee benefits” as set forth on the Balance Sheet, but including “accrued compensated absences” as set forth on the Balance Sheet and accruals for the value of any advertising “make goods” owed to advertisers as a result of ratings guarantees, such times referred to as “bonus weight,” if any), in each case calculated as of the opening of business on the Closing Date and without giving effect to the Closing or to any other events or transactions to occur on the Closing Date, all as determined in accordance with GAAP consistently applied.

**“Net Working Capital Target”** means zero dollars (\$0.00).

**“Operational Agreements”** means that certain Joint Sales Agreement and that certain Shared Services Agreement, both dated as of October 16, 2009, between TTBG OpCo and Comcorp of El Paso, Inc. (**“Comcorp”**).

**“Other Seller Stations”** means any broadcast station or business unit of Seller or any of its Affiliates other than the Station.

**“Permitted Liens”** means, as to any property or asset of the Station, (a) liens for Taxes, assessments and governmental charges not yet due and payable or which are being contested in good faith and for which appropriate reserves exist on the Business Financial Statements, (b) terms and conditions of any Leases, (c) zoning laws and ordinances and similar Laws that are not materially violated by any existing improvement or that do not prohibit the use of the Real Property as currently used in the operation of the Business, (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in any permits), (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor, (ii) any statutory Lien for amounts that are not yet due and payable or are being contested in good faith, (iii) any subleases and (iv) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property, (f) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters affecting title that do not materially adversely affect title to the property subject thereto or materially impair the continued use of the property in the ordinary course of the business of the Business, (g) inchoate materialmens’, mechanics’, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business, (h) Liens that will be discharged prior to or simultaneously with Closing, (i) any state of facts an accurate survey would show, *provided* same does not render title unmarketable or prevent the Real Property being utilized in substantially the same manner as currently used, (j) pledges or deposits to secure obligations under workers’ compensation Laws or similar Laws or to secure public or statutory obligations and which pledges or deposits are reflected in the Business Financial Statements to the extent required by GAAP, and (k) any other Lien, other than a Lien securing a monetary obligation, that does not detract from, interfere with or impair the use of or value of any such property or asset as currently used.

**“Person”** means any natural person, general or limited partnership, limited liability partnership, corporation, limited liability company, firm, association, trust or other legal entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

**“Post-Closing Tax Period”** means any Tax period (or portion thereof) ending after the Closing Date, including the portion of the Straddle Period ending after the Closing Date.

**“Pre-Closing Tax Period”** means any Tax period (or portion thereof) ending on or prior to the Closing Date, including the portion of any Straddle Period ending on the Closing Date.

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

**“Program Rights Obligations”** means all obligations in respect of the purchase, use, license or acquisition of programs, programming materials, films and similar assets used primarily in connection with the Business in the ordinary course consistent with past practice which relate to the utilization of the Program Rights on or after the Effective Time.

**“Qualified Assignee”** means a subsidiary of Cunningham Broadcasting Corporation or such other party designated by Buyer and approved by Seller, such approval not to be unreasonably withheld, conditioned or delayed.

**“Real Property”** means the real property owned, leased, subleased or licensed by or to the Company and used primarily by the Station, together with all right, title and interest of the Company in all buildings, towers, improvements, fixtures and structures located thereon, but excluding Tower Leases.

**“Release”** means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal or leaching into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata).

**“Seller Account”** means the accounts set forth on Disclosure Schedule Section 1.01(b).

**“Straddle Period”** means a Tax period commencing before the Closing Date and ending after the Closing Date.

**“Subsidiary”** when used with respect to any party, means any corporation, limited liability company, partnership, limited liability partnership, association, trust or other entity of which securities or other ownership interests representing fifty percent (50%) or more of the equity or fifty percent (50%) or more of the ordinary voting power (or, in the case of a partnership, fifty percent (50%) or more of the general partnership interests) are, as of such date, owned by such party or one or more Subsidiaries of such party or by such party and one or more Subsidiaries of such party.

**“Tax” or “Taxes”** means (i) all federal, state, local or foreign income, excise, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, payroll, intangible or other taxes, value added, alternative or add-on minimum, estimated, unclaimed property fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding) imposed by a Governmental Authority, together with any interest and any penalties, additions to tax or additional amounts imposed by any Tax authority with respect thereto and (ii) liability of Seller for the payment of any amounts of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person including, without limitation, any obligation under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign Tax law.

**“Tax Returns”** means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns), and any amendments thereto, required to be supplied to a Tax authority relating to Taxes.

**“Tower Leases”** means any agreement to which the Company is a party pertaining to the use and/or installation of radio masts and/or towers used primarily by the Station for telecommunications and broadcasting in connection with the operation of the Business, where Seller holds an interest as tenant or subtenant, and for the lease by the Company as landlord or lessor of space for transmission facilities to tenants or lessees.

**“Trade Secrets”** means all proprietary information of the Company that is not generally known and is used exclusively in the operation of the Business, as to which reasonable efforts have been made to prevent unauthorized disclosure, and which provides a competitive advantage to those who know or use it.

**“Trademarks”** means all trade names, trademarks, service marks, trade dress, jingles, slogans, logos, other source or business identifiers, trademark and service mark registrations and trademark and service mark applications owned by the Company and used primarily in the operation of the Business, including those set forth on Disclosure Schedule Section 3.06(a), and the goodwill appurtenant thereto.

**“Tradeout Agreement”** means any Contract, other than film and program barter agreements, pursuant to which the Company has agreed to sell or trade commercial air time or commercial production services of the Station in consideration for any property or service in lieu of or in addition to cash.

**“Transfer Taxes”** means all excise, sales, use, value added, registration stamp, recording, documentary, conveyancing, franchise, property, transfer, gains and similar Taxes, levies, charges and fees.

**Section 1.02. Cross Reference Table.** The following terms defined in this Agreement in the sections set forth below shall have the respective meaning therein defined:

Adjudicated Net Working Capital Amount	2.04(f)
Adjudicated Statement	2.04(f)
Adjudication Period	2.04(f)

Agreement	Preamble
Business Financial Statements	3.08(a)
Buyer	Preamble
Buyer FSA Plan	8.05
Buyer's 401(k) Plan	8.02
Buyer Indemnified Parties	12.03(a)
Buyer Warranty Breach	12.02(a)(i)
Cap	12.02(b)
Closing	2.05
Closing Date	2.05
Closing Net Working Capital Amount	2.04(b)
Comcorp	1.01
Company	Recitals
Company Capitalization Warranty Breach	12.03(b)
Company Sponsored Plans	3.15(a)
Consent	2.06(a)
Continuing Employees	8.01(a)
Controlled	1.01
Controlling	1.01
Covered Matter	13.10(a)
Damaged Asset	5.04
Deductible	12.02(b)
Dispute Resolution Period	2.04(e)
Escrow Agreement	2.03(a)
Estimated Net Working Capital Amount	2.04(a)
Estimated Net Working Capital Statement	2.04(a)
FCC	Recitals
FCC Application	7.01(a)
FCC Renewal Policy	7.01(b)
Final Purchase Price	2.02
First Party	1.01
Indemnified Party	12.04(a)
Indemnifying Party	12.04(a)
Indemnity Escrow	2.03(b)
Indemnity Escrow Agreement	2.03(b)
Indemnity Escrow Amount	2.03(b)
Initial Purchase Price	2.02
Interests	Recitals
Losses	12.02(a)
Material Contract	3.05(a)
Material Multi-Station Contract	2.07
Multi-Station Contract	2.07
Multi-Station Contract Obligations	2.07
Multi-Station Contract Rights	2.07
Non-Duplication Notices	5.08
Objection Notice	2.04(b)

Owned Real Property	3.07(a)
Permits	3.11
Priority Leased Sites	5.03
Real Property Leases	3.07(d)
Renewal Application	7.01(b)
Securities Act	4.11
Security Deposit	2.03(a)
Seller	Preamble
Seller FSA Plan	8.05
Seller Indemnified Parties	12.02(a)
Seller Prohibited Entities	5.06
Seller Warranty Breach	12.03(a)(i)
Seller's 401(k) Plan	8.02
Solvent	4.10
Station	Recitals
Statement of Closing Net Working Capital	2.04(b)
Surveys	5.03
Station	Recitals
Target Purchase Price	2.02
Tax Proceeding	9.05(j)
Termination Date	11.01(b)(i)
Threshold	12.02(b)
Title Commitments	5.03
Transfer Date	8.05
TTBG OpCo	Recitals
TTBG License Sub	Recitals
WARN Act	8.06

**Section 1.03. Terms Generally.** (a) Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Disclosure Schedules and exhibits hereto) and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Disclosure Schedule references are to the Articles, Sections and paragraphs in, and the Exhibits and Disclosure Schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import when used in this Agreement means “including, without limitation,” unless otherwise specified, and (d) the word “or” shall not be exclusive.

## ARTICLE II PURCHASE AND SALE

**Section 2.01. Purchase and Sale.** Upon the terms and subject to the conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller, all right, title and interest of Seller in and to all of the Interests, free and clear of all Liens.

**Section 2.02. Purchase Price.** In consideration for the sale of the Interests, Buyer shall, at the Closing, (i) pay to the Escrow Agent by wire transfer of immediately available funds the Indemnity Escrow Amount and (ii) pay to Seller an amount in cash equal to the Initial Purchase Price less the Indemnity Escrow Account by wire transfer of immediately available funds to an account or accounts designated in writing by Seller; *provided* that the portion of the Initial Purchase Price that was placed into escrow pursuant to Section 2.03 below shall be paid to Seller by the Escrow Agent (rather than by Buyer) at Closing in accordance with the escrow instructions contemplated by Section 2.03 below. For purposes of this Agreement, the term “**Initial Purchase Price**” means (A) an amount equal to Twenty-One Million Dollars (\$21,000,000) (“**Target Purchase Price**”), (B) plus the amount, if any, by which the Estimated Net Working Capital is greater than the Net Working Capital Target, and (C) minus the amount, if any, by which the Estimated Net Working Capital is less than the Net Working Capital Target, each in the case of (B) and (C) as determined pursuant to Section 2.04 below. The Initial Purchase Price shall be subject to a post-Closing final adjustment as provided in Section 2.04 below and, as so adjusted, shall constitute the “**Final Purchase Price**” for all purposes under this Agreement.

**Section 2.03. Escrow.**

(a) Simultaneous with the execution of this Agreement, Buyer has delivered to the Escrow Agent an amount equal to Two Million One Hundred Thousand Dollars (\$2,100,000) to be held as an earnest money security deposit (“**Security Deposit**”) pursuant to an Escrow Agreement of even date herewith (“Escrow Agreement”). The Security Deposit shall be paid to Seller as partial payment of the Initial Purchase Price due to Seller at the Closing, unless otherwise released to Seller or Buyer in accordance with Section 11.02.

(b) At the Closing, Buyer shall deposit with the Escrow Agent an amount equal to Two Million One Hundred Thousand dollars (\$2,100,000) (“**Indemnity Escrow Amount**”) pursuant to an Escrow Agreement in the form attached as **Exhibit A** (“**Indemnity Escrow Agreement**”). At the Closing, Buyer and Seller shall execute and deliver the Indemnity Escrow Agreement and use commercially reasonable efforts to cause the Escrow Agent to execute and deliver the Indemnity Escrow Agreement. The Indemnity Escrow Amount plus any interest or earnings thereon (the “**Indemnity Escrow**”) will be available to satisfy any amounts owed by Seller to Buyer or the Buyer Indemnified Parties pursuant to Section 12.03 and in accordance with the terms of this Agreement and the Indemnity Escrow Agreement. The Indemnity Escrow Amount shall be released pursuant to the terms of the Indemnity Escrow Agreement.

**Section 2.04. Adjustments to Target Purchase Price.**

(a) No later than three (3) Business Days prior to the anticipated Closing Date, Seller shall deliver to Buyer a statement setting forth in reasonable detail the Seller’s good faith determination of the estimated Net Working Capital as of the Closing Date (“**Estimated Net Working Capital Statement**”). If the estimate set forth on the Estimated Net Working Capital Statement (“**Estimated Net Working Capital Amount**”) is less than the Net Working Capital Target, then the Target Purchase Price shall be decreased at Closing by the amount of such difference. If the Estimated Net Working Capital Amount exceeds the Net Working Capital Target, then the Target Purchase Price shall be increased at Closing by the amount of such

difference, subject to any further adjustment required under this Section 2.04. Any payment or credit required by the foregoing shall be made by the appropriate Party at the Closing in accordance therewith, absent manifest error.

(b) Within forty-five (45) calendar days after the Closing Date, Buyer shall prepare and deliver to Seller, in good faith and in reasonable detail, Buyer's statement of Net Working Capital as of the Closing Date ("**Statement of Closing Net Working Capital**," with the amount of Net Working Capital set forth therein the "**Closing Net Working Capital Amount**"). The Statement of Closing Net Working Capital shall become final and binding upon the Parties on the date that occurs forty-five (45) calendar days after the date upon which such statement is received by Seller (such 45-day period, the "Objection Period") unless Seller delivers to Buyer written notice that it disputes any aspect of the Statement of Closing Net Working Capital ("**Objection Notice**") prior to the end of such Objection Period. The Objection Notice shall specify in reasonably specific detail the nature of any dispute so asserted. If an Objection Notice is delivered to Buyer prior to the end of the Objection Period, then the Statement of Closing Net Working Capital (as revised in accordance with clause (i) or (ii) below) shall become final and binding upon the Parties on the earlier to occur of (i) the date Buyer and Seller resolve in writing any differences they have with respect to the matters specified in the Objection Notice or (ii) the date any disputed matters are finally resolved by the Accounting Firm as provided below.

(c) From the Effective Time until such time as all matters described in this Section 2.04 have been fully and finally resolved, Buyer shall (i) maintain and provide to Seller and its advisors and representatives reasonable access to and duplicate copies of, all documents and other information utilized by Buyer and its representatives in connection with Buyer's preparation of the Statement of Closing Net Working Capital, including (without limitation) all financial statements, work papers, schedules, accounts, analysis, and books and records relating to the Statement of Closing Net Working Capital, in each case in the same format (whether paper or electronic or both) as was utilized by Buyer in connection with preparation of the Statement of Closing Net Working Capital; (ii) provide Seller and its advisors reasonable access to such employees, auditors and advisors who participated in the preparation or review of, or otherwise have relevant knowledge concerning, the Statement of Closing Net Working Capital; and (iii) cooperate with Seller in providing the information and personnel required by Seller to resolve the matters described in this Section 2.04(c).

(d) Within ten (10) Business Days after the Statement of Closing Net Working Capital becomes final and binding upon the Parties, (i) Buyer shall pay to Seller the amount, if any, by which the Closing Net Working Capital Amount is higher than the Estimated Net Working Capital Amount or (ii) Seller shall be required to pay to Buyer the amount, if any, by which the Estimated Net Working Capital Amount is higher than the Closing Net Working Capital Amount, as the case may be. All payments made pursuant to this Section 2.04(d) shall be made via wire transfer of immediately available funds to such account or accounts as shall be designated in writing by the recipient Party, together with interest on such amount equal to the prime rate per annum publically announced from time to time by Citibank, N.A. at its principal office in New York City ("Prime Rate") for the period from the Effective Time to the date of actual payment.



(e) In the event that Seller provides an Objection Notice prior to the end of the Objection Period, then Seller and Buyer shall, within twenty (20) calendar days following Seller's delivery of such Objection Notice (such 20-day period, the "**Dispute Resolution Period**"), meet and confer in an attempt to resolve their differences. During such period (i) Buyer and its independent auditors, at Buyer's sole cost and expense, shall be, and Seller and its independent auditors, at Seller's sole cost and expense, shall be, in each case, permitted to review and make copies reasonably required of (A) the financial statements of Company, in the case of Buyer, and Buyer, in the case of Seller, relating to the Objection Notice; (B) the working papers of the Company, in the case of Buyer, and Buyer, in the case of Seller, and such other Party's auditors, if any, relating to the Objection Notice; (C) the books and records of Company, in the case of Buyer, and Buyer, in the case of Seller, relating to the Objection Notice; and (D) any supporting schedules, analyses and documentation relating to the Objection Notice; and (ii) Seller, in the case of Buyer, and Buyer, in the case of Seller, shall provide reasonable access, upon reasonable advance notice and during normal business hours, to such employees of such other Party and such other Party's independent auditors, as such first Party reasonably believes is necessary or desirable in connection with its review of the Objection Notice.

(f) If, during the Dispute Resolution Period, Seller and Buyer resolve their differences as to a disputed amount, such resolution shall be deemed final, binding and conclusive with respect to such amount for the purpose of determining that component of the Final Purchase Price. In the event that Seller and Buyer do not resolve all disputes prior to the end of the Dispute Resolution Period, all such unresolved disputes shall be submitted to the Accounting Firm. The Accounting Firm shall act as an arbitrator to determine only those items in dispute, and for each such item shall determine a value within the range of values submitted therefor by Seller and Buyer in the Estimated Net Working Capital Statement and the Statement of Closing Net Working Capital, respectively. The Accounting Firm shall deliver to the Buyer and the Seller a written determination (such determination to include a work sheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Accounting Firm by the Seller and the Buyer) of the disputed items within thirty (30) calendar days of receipt of the disputed items (such 30-day period, the "**Adjudication Period**"), which determination shall be final, binding and conclusive. The final, binding and conclusive Statement of Closing Net Working Capital and Closing Net Working Capital Amount, which either are agreed upon by Buyer's and Seller's representatives or are delivered by the Accounting Firm in accordance with this Section 2.04, shall be referred to herein as the "**Adjudicated Statement**" and the "**Adjudicated Net Working Capital Amount**," respectively. In the event that either the Buyer or the Seller fails to submit its statement regarding any items remaining in dispute within the time determined by the Accounting Firm, then the Accounting Firm shall render a decision based solely on the evidence timely submitted to the Accounting Firm by the Buyer and the Seller. Notwithstanding the foregoing, if either Party prevents the other Party from obtaining access to any information that such Party has reasonably requested pursuant to this Section 2.04, or if a Party otherwise fails to provide such information on a timely basis after receiving a reasonably specific request for access from the other Party, the Accounting Firm shall have the authority, in its sole discretion to (i) extend the Adjudication Period for such amount of time as the Accounting Firm deems equitable; (ii) direct that the withholding Party promptly provide the other Party with such access as the Accounting Firm deems equitable; and/or (iii) render a decision adverse to the withholding Party in respect of any issue or amount that the Accounting Firm deems equitable given the information that has been withheld.

(g) In the event that the Adjudicated Net Working Capital Amount is less than the Estimated Net Working Capital Amount, then the Target Purchase Price shall be reduced by an amount equal to the difference between these two amounts, and Seller shall pay to Buyer an amount in cash equal to such difference. In the event that the Adjudicated Net Working Capital Amount is greater than the Estimated Net Working Capital Amount, then the Target Purchase Price shall be increased by an amount equal to the difference between these two amounts, and the Buyer shall pay to Seller an amount in cash equal to such difference.

(h) All payments to be made pursuant to Section 2.04(g) hereof shall be made on the second Business Day following the date on which the Buyer and the Seller agree to, or the Accounting Firm delivers, the Adjudicated Statement. Any payment required to be made by the Seller or the Buyer pursuant to Section 2.04(g) hereof shall bear interest from the Closing Date through the date of payment at a rate of interest equal to the Prime Rate, and shall be payable by wire transfer of immediately available funds (i) to the bank account designated in writing by the Buyer if the Buyer is the recipient and (ii) to the bank account designated in writing by Seller if Seller is the recipient.

(i) All fees and expenses relating to the work, if any, to be performed by the Accounting Firm shall be allocated between the Buyer, on the one hand, and the Seller, on the other hand, in the same proportion that the aggregate amount of the disputed items so submitted to the Accounting Firm that is unsuccessfully disputed by such Party (as finally determined by the Accounting Firm) bears to the total amount of such disputed items so submitted.

(j) For Tax purposes, the Final Purchase Price shall reflect all adjustments to the Initial Purchase Price resulting from the Statement of Closing Net Working Capital or the Adjudicated Statement.

**Section 2.05. Closing.** The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place at the offices of Wilkinson Barker Knauer, LLP, 2300 N Street, N.W., Suite 700, Washington, D.C. 20037, no later than the fifth (5<sup>th</sup>) business day after the date that the FCC Consent shall have been granted, shall be in full force and effect and shall have become a Final Order, 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 at such other time or on such other date or at such other location as is mutually agreed by Buyer and Seller. The date on which the Closing occurs pursuant to this Section 2.05 is referred to herein as the “**Closing Date**”.

- (a) At Closing, Buyer shall deliver to Seller:
  - (i) the certificate described in Section 10.02(a);
  - (ii) the documents described in Section 10.02(b);
  - (iii) the Initial Purchase Price in accordance with Section 2.02 by wire transfer of immediately available federal funds;

(iv) the Indemnity Escrow Agreement, duly executed on behalf of Buyer; and

(v) such other documents and instruments as Seller has determined to be reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At Closing, Seller shall deliver, or cause to be delivered, to Buyer:

(i) the certificate described in Section 10.03(a);

(ii) the documents described in Section 10.03(b);

(iii) a certificate representing the Interests accompanied by a stock power duly endorsed in blank, sufficient to convey and transfer to Buyer title to the Interests, free and clear of all Liens;

(iv) written resignations and releases of each of the directors and officers of the Company;

(v) a receipt for Buyer's payment of the Initial Purchase Price to Seller;

(vi) the Indemnity Escrow Agreement, duly executed on behalf of Seller; and

(vii) such other documents and instruments as Buyer has determined to be reasonably necessary for Buyer or Buyer's Assignee to acquire the Interests.

(c) Seller and Buyer shall enter into and deliver to each other:

(i) joint written instructions of Buyer and Seller to the Escrow Agent instructing Escrow Agent to release the Escrow Deposit Funds to Seller.

**Section 2.06. Assignment or Transfer of Contracts and Rights.**

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents, authorizations, approvals, waiver or notices or a replacement contract on substantially similar terms and conditions (any such consent, authorization, approval, waiver notice or replacement contract, a "**Consent**") necessary for the assignment of, or to transfer the benefits and obligations in respect of, any Contract, Real Property Lease or Multi-Station Contract (but only to the extent relating to the Multi-Station Contract Rights and Multi-Station Contract Obligations) (which except as otherwise provided herein or in the applicable Contract, Real Property Lease or Multi-Station Contract, shall not require any payment to any such third party), and (ii) estoppel certificates reasonably acceptable to Buyer from lessors under any Real Property Leases requiring Consent to assignment or transfer (if any), but no such third party Consents or estoppel certificates are conditions to Closing except for those Consents set forth on Disclosure Schedule Section 10.03(c) and, in connection with obtaining any Consent hereunder,

Buyer shall not be required to accept any new or modified terms and conditions with respect to any Contract, Real Property Lease, Multi-Station Contract Right or Multi-Station Contract Obligation or in any replacement thereof. Notwithstanding anything to the contrary contained herein, with respect to any Consents to assignment listed on Disclosure Schedule Section 10.03(c) that are not received by Seller prior to the date scheduled for Closing, Buyer acknowledges and agrees that Seller shall have the right to (A) control and manage the process of obtaining any such Consents after Closing or (B) elect not to seek any such Consent, subject, in each case, to the indemnification obligations set forth in Section 12.03(a)(vi). If in connection with obtaining any Consent set forth on Disclosure Schedule Section 10.03(c), any third party to the Real Property Lease related to such Consent requests that Buyer enter into a new lease, Buyer shall enter into such replacement lease; *provided*, that such replacement lease is on terms and conditions no less favorable to Buyer than the existing Real Property Lease.

(b) To the extent that any Contract, Real Property Lease, or Multi-Station Contract Right and Multi-Station Contract Obligation may not be assigned or transferred without the Consent of any third party, and such Consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment or transfer of such Contract, Real Property Lease, Multi-Station Contract Right or Multi-Station Contract Obligation; *provided, however*, with respect to each such Contract, Real Property Lease, Multi-Station Contract Right or Multi-Station Contract Obligation, Seller and Buyer shall cooperate in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Assumed Contract, Real Property Lease, Multi-Station Contract Right or Multi-Station Contract Obligation from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform, or cause the Company to pay and perform, the Company's obligations arising under the Contract, Real Property Lease, Multi-Station Contract Right or Multi-Station Contract Obligation from and after Closing in accordance with its terms.

**Section 2.07. Multi-Station Contracts.** Disclosure Schedule Section 2.07 includes a list, as of the date hereof, of each Contract which has rights or obligations affecting the Station, on the one hand, and Other Seller Stations, on the other hand (a "**Multi-Station Contract**") which taking into account the application thereof and the rights and obligations attributable solely to the Station would be required to be listed on Disclosure Schedule Section 3.05(a) (each, a "**Material Multi-Station Contract**", and collectively, the "**Material Multi-Station Contracts**"). The rights and obligations under each such Multi-Station Contract to which the Company is a party shall include only those rights and obligations under such Multi-Station Contract to the extent that they are applicable to the Station. Subject to the provisions of this Section 2.06, the assets of the Company shall include those rights to the extent relating to the Business which are attributable to the period on and after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of such Multi-Station Contract (such rights, the "**Multi-Station Contract Rights**"), and the Liabilities of the Company shall include those obligations to the extent relating to the Business which are attributable to the period on and after the Effective Time under a Multi-Station Contract, subject to the terms and conditions of such Multi-Station Contract or to the extent taken into account in the prorations under Section 2.10 (such obligations, the "**Multi-Station Contract Obligations**"). All rights and obligations which arise under a Multi-Station Contract other than the Multi-Station Contract Rights and the Multi-Station Contract Obligations shall in all cases, be excluded from the assets or Liabilities of the Company, as applicable. For purposes of determining the scope of the Multi-Station Contract

Rights and the Multi-Station Contract Obligations, the rights and obligations under each Multi-Station Contract shall be equitably allocated among (1) the Station, on the one hand, and (2) the Other Seller Stations, on the other hand, in accordance with the following equitable allocation principles:

- (a) any allocation set forth in the Multi-Station Contract shall control;
- (b) if there is no allocation in the Multi-Station Contract as described in clause (a) hereof, then any reasonable allocation previously made by Seller or its Affiliates in the ordinary course of business and disclosed on Disclosure Schedule Section 2.06(b) shall control;
- (c) if there is no reasonable allocation as described in clause (b) hereof, then the quantifiable proportionate benefits and obligations to be received and performed, as the case may be, by Seller and Buyer after the Effective Time (to be determined by mutual good faith agreement of Seller and Buyer) shall control; and
- (d) if there are no quantifiable proportionate benefits and obligations as described in clause (c) hereof, then reasonable accommodation (to be determined by mutual good faith agreement of Seller and Buyer) shall control.

Subject to any applicable third-party Consents, such allocation and assignment with respect to any Multi-Station Contract shall be effectuated, at the election of Seller, by termination of such Multi-Station Contract in its entirety with respect to the Station and the execution of new contracts with respect to the Station or by an assignment to and assumption by Buyer of the related Multi-Station Contract Rights and the Multi-Station Contract Obligations under such Multi-Station Contract. The parties shall use commercially reasonable efforts to obtain any such new contracts or assignments to, and assumptions by, Buyer in accordance with this Section 2.07; *provided, that*, completion of documentation of any such allocation under this Section 2.07 is not a condition to Closing unless such Multi-Station Contract is listed on and disclosed on Disclosure Schedule Section 10.03(c).

Notwithstanding anything to the contrary set forth in this Agreement, if any Multi-Station Contract includes any group discounts or similar benefits that are not assignable to Buyer, then Buyer's allocated portion of such Multi-Station Contract will not include or reflect such terms.

**Section 2.08. Actions Pursuant to the Operational Agreements.** Buyer acknowledges that certain operational functions for the Station are provided by Comcorp pursuant to the Operational Agreements. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer's obligation to perform under this Agreement, in each case to the extent that Seller does not have knowledge as of the date of this Agreement of any such breach or failure to satisfy and to the extent the breach of any such representation, warranty, covenant or agreement or the non-satisfaction of any such condition precedent is caused by (i) any actions taken by or under the control of Comcorp or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Comcorp's performance of its obligations under the Operational Agreements or otherwise; (ii) the failure of Comcorp to perform or discharge any of its obligations as required by the Operational Agreements (clauses (i)-(ii) collectively,

“Comcorp Actions”). Seller shall retain all claims and causes of action against Comcorp in connection with any and all events or conditions prior to the Effective Time which may give rise to a Seller indemnification obligation pursuant to Section 12.03(a)(vii). After Closing, Buyer shall cooperate, and shall cause the Company to cooperate, with Seller and Seller’s representatives in the investigation, defense or prosecution of any action pursuant to the foregoing sentence. Without limiting the generality of the foregoing, Buyer shall make available its employees and shall cause the Company to make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller or Seller’s representatives may reasonably request.

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

Seller represents and warrants to Buyer as follows:

**Section 3.01. Existence and Power.** Each of Seller and the Company is duly organized, validly existing and in good standing under the laws of the state of its organization. Each of Seller and the Company is qualified to do business and is in good standing in each jurisdiction where such qualification is necessary, except where the failure to so qualify would not reasonably be expected to have a Material Adverse Effect. Each of Seller and the Company (as applicable) has the requisite power and authority to own and operate the Business as currently operated.

**Section 3.02. Authorization; Voting Requirements.**

(a) The execution and delivery by Seller of this Agreement and the Ancillary Agreements (to which such Seller is or will be a party), the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby are within Seller’s limited liability company powers and have been duly authorized and approved by the management board of Seller, and no other limited liability company action on the part of Seller is necessary to authorize and approve the execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements (to which Seller is or will be a party) and the consummation by Seller of the transactions contemplated hereby and thereby.

(b) This Agreement has been, and the Ancillary Agreements (to which Seller is or will be a party) will be, duly executed and delivered by Seller. This Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Ancillary Agreement (to which Seller is or will be a party) will constitute when executed and delivered by Seller, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors’ rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

**Section 3.03. Governmental Authorization.** The execution, delivery and performance by Seller of this Agreement and each Ancillary Agreement to which Seller is or will be a party and

the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) compliance with any applicable requirements of the HSR Act and (b) compliance with the Communications Laws and with the rules and regulations of the FCC.

**Section 3.04. Noncontravention.** Except as disclosed in Disclosure Schedule Section 3.04, the execution, delivery and performance by Seller of this Agreement and each Ancillary Agreement to which Seller is or will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Seller; (b) assuming compliance with the matters referred to in Section 3.03, conflict with or violate in any material respect any material Law or Governmental Order applicable to Seller; (c) require any consent or other action by or notification to any Person under, constitute a material default under, give to any Person any rights of termination, amendment, acceleration, cancellation of any material right or obligation of such Person under, any provision of any Material Contract; or (d) result in the creation or imposition of any material Lien (except for Permitted Liens) on any of the assets used by the Company in the operation of the Business.

**Section 3.05. Contracts.**

(a) Disclosure Schedule Section 3.05(a) sets forth all of the following Contracts (other than Contracts which are the Multi-Station Contracts) to which the Company is a party that are used primarily with respect to the Station as of the date hereof (each a “**Material Contract**”):

(i) any Contract for the sale of broadcast time for advertising or other purposes for cash that was not made in the ordinary course of business consistent with past practices;

(ii) any Contract relating to Program Rights other than any such Contract that involves payments of less than \$20,000 in any twelve (12) month period and less than \$40,000 in total payments;

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

(iv) any Contract entered into after January 1, 2012 relating to the acquisition or disposition of any material portion of the Business (whether by merger, sale of stock, sale of assets or otherwise);

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

(vi) any mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any asset of the Company used in the Business, other than those that will be paid off at Closing;

(vii) any Contract involving a partnership, joint venture or similar agreement with another party;

(viii) any Contract involving base compensation to any Employee, or independent contractor or consultant engaged to perform services to the Business in excess of \$50,000 per year (*provided, however*, that for purposes of this Section 3.05(a)(viii), the term Contract shall not include at-will Contracts or Contracts that can be terminated upon thirty (30) days' notice or less without penalty or additional payment);

(ix) any Contract involving any labor agreement or collective bargaining agreement of the Company;

(x) any Contract that contains a covenant restricting the ability of the Company to compete in any business or with any Person or in any geographic area in which the Station operates (*provided, however*, that for purposes of this Section 3.05(a)(x), the term Contract shall, with respect to Real Property, only mean Real Property Leases);

(xi) any Contract with Affiliates of Seller;

(xii) any Contract that is a local marketing agreement, joint sales agreement or similar agreement;

(xiii) any Contract with a Governmental Authority (other than ordinary course Contracts with Governmental Authorities as a customer) which imposes any material obligation or restriction on the Company;

(xiv) any Contract pursuant to which any Indebtedness (except for Indebtedness that will be paid off at or before Closing) for borrowed money of the Company is outstanding or may be incurred or pursuant to which the Company has guaranteed any Indebtedness for borrowed money of any other Person (excluding trade payables arising in the ordinary course of business);

(xv) any Contract relating to the non-broadcast use of the Station's digital bit stream; and

(xvi) all other Contracts (including all programming contracts) that involve the cash payment or potential cash payment, pursuant to the terms of any such Contract, by or to the Company of more than \$100,000 per year that cannot be terminated within one hundred and eighty (180) days after giving notice of termination without resulting in any material cost or penalty to the Company.

(b) Neither the Company nor, to the Knowledge of Seller, any other party, is in material breach or default under any Material Contract or Material Multi-Station Contract.

(c) Each Material Contract and Material Multi-Station Contract is in full force and effect. Each Material Assumed Contract and Material Multi-Station Contract constitutes a legal, valid and binding obligation of the Company and, to the Knowledge of Seller, of each other



party thereto (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other Laws from time to time in effect relating to the enforcement of creditors' rights and remedies generally and general principles of equity).

**Section 3.06. Intangible Property.** All material owned and registered Copyrights, Trademarks and domain names used in connection with the Business are described, listed or set forth on Disclosure Schedule Section 3.06(a). Except as set forth on Disclosure Schedule Section 3.06(b), neither Seller nor the Company has received notice of any material claims, demands or proceedings pending by any third party challenging the Company's right to use any of the Intangible Property or that any Intangible Property or any services provided by the Company conflict with, infringe or otherwise violate the material intellectual property rights of third parties. Except as set forth on Disclosure Schedule Section 3.06(c), as of the date hereof, the Purchased Assets include all material Intangible Property, including rights in and to call letters used in the operation of the Station and, to Seller's Knowledge, no third party has materially infringed or is materially infringing on any of the Intangible Property. Neither Seller, nor the Company has received any written notice that any of the owned Intangible Property is the subject of an outstanding judicial or administrative finding, opinion or office action materially restricting the use thereof by the Company or has been adjudged invalid, unenforceable or unregistrable in whole or in part.

**Section 3.07. Real Property.**

(a) The Company has valid, fee simple title, free and clear of all Liens other than Permitted Liens, to the owned Real Property identified on Disclosure Schedule Section 3.07(a)-1, if any, which constitutes each parcel of real property which is owned by the Company and used primarily in connection with the operation of the Station (the "**Owned Real Property**"). Disclosure Schedule Section 3.07(a)-2 includes a list of each lease, sublease, license, or similar agreement (including any and all assignments, amendments, and other modifications of such leases, subleases, licenses and other occupancy agreements) pertaining to the use or occupancy of the Real Property in which the Company has an interest as a tenant, licensee, subtenant or sub-licensee (such leases, subleases, licenses or similar agreements with current monthly payments in excess of \$1,000, "**Real Property Leases**"). Except as set forth on Disclosure Schedule Section 3.07(a)-3, the Company has a valid leasehold interest in, or a valid license to occupy, the Real Property conveyed by the Real Property Leases as of the date of this Agreement. The Real Property includes sufficient access to the Station's facilities. Except as set forth on Disclosure Schedule Section 3.07(a)-4, neither Seller, nor the Company (i) has received notice of any material violation of material Law affecting the Owned Real Property, if any, or the Real Property Leases or the Company's use thereof, (ii) is in material default under any Lease or Real Property Lease, (iii) within the past two (2) years, has received notice of material default under or termination of any Leases or Real Property Leases and (iv) has Knowledge of any current material default by any third party under any Lease or Real Property Lease. Seller has made available to Buyer true and correct copies of the Leases and Real Property Leases, together with all amendments thereto.

(b) Within the past two (2) years, neither Seller nor the Company has received written notice of any existing plan or study by any Governmental Authority or by any other

Person that challenges or otherwise adversely affects the continuation of the use or operation of any Owned Real Property or Real Property Leases and Seller has no Knowledge of any such plan or study with respect to which it has not received written notice. Except as set forth in the Leases, to the Knowledge of Seller, there is no Person in possession of any Owned Real Property other than the Company. Except as identified in Disclosure Schedule Section 3.07(b), no Person has any right to acquire the interests in any of the Owned Real Property.

(c) Except as disclosed on Disclosure Schedule Section 3.07(c) and Disclosure Schedule Section 3.17(b), with respect to the Owned Real Property and Real Property Leases, if any, all material improvements, installations, equipment and facilities utilized in connection with the business of each applicable Station, including material studios, towers and transmission equipment, are (i) located entirely on the Owned Real Property or Real Property subject to the Real Property Leases, (ii) maintained on the Owned Real Property or Real Property subject to the Real Property Leases in compliance in all material respects with all applicable material Laws or Permits, and (iii) in normal operating condition and repair in all material respects for the uses for which they are currently employed (normal wear and tear excepted).

(d) Disclosure Schedule Section 3.07(d) includes a list of all Leases.

(e) Except as disclosed on Disclosure Schedule Section 3.07(e), to the Knowledge of Seller, the Owned Real Property, if any, is in material compliance with all applicable material building, zoning, subdivision, health and safety and other land use Laws, including The Americans with Disabilities Act of 1990, as amended.

(f) Except as disclosed on Disclosure Schedule Section 3.07(f), (i) each parcel of Owned Real Property, if any, has access (e.g. ingress and egress) to a public street adjoining such parcel of Owned Real Property, or has ingress and egress to a public street via Real Property Leases or easements, and (ii) such access is not dependent on any land or other real property interest which is not included in the Real Property.

(g) To the Knowledge of Seller, the current use and occupancy of the Owned Real Property, if any, and the operation of the Business as currently conducted thereon does not violate in any material respect any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Owned Real Property or the Company's use and occupancy thereof.

### **Section 3.08. Financial Information.**

(a) Except as set forth on Disclosure Schedule Section 3.08(a)-1, the unaudited financial statements from the Company's internal reporting system relating to the operation of the Station as of the Balance Sheet Date and the related unaudited statement of operations for the year then ended (the "**Business Financial Statements**"), complete and correct copies of which have been provided to Buyer, were prepared in accordance with the books and records of the Company and GAAP, consistently applied during the applicable periods and present fairly in all material respects the combined financial position of the Business as of the applicable dates, and the combined results of their operations for each of the applicable periods (except as may be indicated in the notes thereto), subject to the absence of statements of cash

flows, other comprehensive income (loss), stockholders' equity (deficiency), and footnotes, for the periods covered by the Business Financial Statements. The costs and expenses of corporate services performed for the Business and internally allocated in the ordinary course of business by Seller and its Subsidiaries, and the amounts so allocated for the periods specified, are set forth in Disclosure Schedule Section 3.08(a)-2.

(b) Except as set forth on Disclosure Schedule Section 3.08(a)-1, there are no liabilities of the Company that relate to the Business which would be required to be reflected or reserved against on a combined balance sheet of the Business prepared in accordance with GAAP or the notes thereto, except (i) liabilities reflected or reserved against on the Business Financial Statements, (ii) liabilities incurred after the Balance Sheet Date in the ordinary course of business, (iii) liabilities to be performed after the date hereof pursuant to the Contracts or (iv) liabilities incurred pursuant to this Agreement.

**Section 3.09. Absence of Certain Changes or Events.**

(a) Except as disclosed in Disclosure Schedule Section 3.09(a), since the Balance Sheet Date, the Company has operated the Station in the ordinary course of business consistent with past practices.

(b) Since the Balance Sheet Date through the date hereof, and except as set forth in Disclosure Schedule Section 3.09(b) or as contemplated by this Agreement, there has not been in respect of the Business:

- (i) any Material Adverse Effect;
- (ii) any damage, destruction or loss, whether or not covered by insurance, with respect to any of its property and assets having a replacement cost of more than \$100,000 per Market;
- (iii) (x) the entry into (including renewals or amendments to existing Assumed Contracts) or relinquishment of any individual Program Rights agreement with a term of one (1) year or more or that involves cash payments or cash receipts of \$50,000 or more per year, or (y) the entry into (including renewals or amendments to existing Contracts) of any other agreement or commitment (other than advertising sales contracts for cash only) with a term of one (1) year or more or that involves cash payments or cash receipts of \$50,000 or more per year, in the case of clause (x) or (y), other than agreements and commitments specifically contemplated by this Agreement;
- (iv) any material change in the programming policies of the Station;
- (v) the creation or other incurrence by Seller or the Company of any Lien on any material asset of the Company or the Interests other than Permitted Liens;
- (vi) any (x) with respect to any Employee or any director or individual who is an independent contractor of the Company, establishment of any bonus, employment, consulting, severance, deferred compensation, retirement or other employee benefit plan, agreement, arrangement or program (or any amendment to any such existing

plan, agreement, arrangement or program), (y) grant of any severance or termination pay to any such Employee, director or independent contractor or (z) increase the rate of compensation (including wages, employee benefits, salaries and bonuses) payable to any such Employee, director or independent contractor, except in each case, (A) as may be required by Law or existing Contracts or Employee Plans, (B) in the ordinary course of business consistent with past practices or (C) as would not impose on Buyer or the Company any liability with respect thereto;

(vii) any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any Employees, or any lockouts, strikes, concerted work stoppages or slowdowns, or threats thereof by or with respect to any Employees;

(viii) any sale of Owned Real Property or other transfer, conveyance or termination of leasehold rights in, such Owned Real Property or Real Property Leases;

(ix) any change in any method of accounting or accounting practice by Seller except for any such change required by reason of a concurrent change in GAAP; or

(x) any agreement or commitment to do anything set forth in this Section 3.09(b).

**Section 3.10. Absence of Litigation.** Except as set forth on Disclosure Schedule Section 3.10, there is no material Action pending against or, to the Knowledge of Seller, threatened against or affecting Seller or the Company, the Station or the Business or the Interests, in each case that would be reasonably expected to restrain, enjoin or otherwise prevent the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements or that would, as of the date of this Agreement, reasonably be expected to result in damages in excess of \$100,000. Except as set forth on Disclosure Schedule Section 3.10, there is no material Action pending against or, to the Knowledge of Seller, threatened against or affecting the Company that would, as of the date of this Agreement, reasonably be expected to result in damages in excess of \$100,000.

**Section 3.11. Compliance with Laws.** Except as set forth in Disclosure Schedule Section 3.11 or Disclosure Schedule Section 3.12(c), the Station is not in material violation of, and, to the Knowledge of Seller, the Station is not under investigation with respect to and has not been threatened in writing to be charged with, any material violation of any material applicable Law or Governmental Order. The Company holds all material licenses, franchises, permits, certificates, approvals and authorizations from Governmental Authorities necessary for the lawful conduct of its business (collectively, “**Permits**”), and all such Permits are valid and in full force and effect. Except as set forth in Disclosure Schedule Section 3.11, the Company is in material compliance with the terms of such Permits.

**Section 3.12. FCC Matters; Qualifications.**

(a) Disclosure Schedule Section 3.12(a) contains a true and complete list of all FCC Licenses, including antenna structure registrations of towers owned by the Company. Seller has made available true, correct and complete copies of the FCC Licenses to Buyer,

including any and all amendments and modifications thereto. The FCC Licenses are validly held by TTBG License Sub and are in full force and effect. Except as set forth on Disclosure Schedule Section 3.12(a), the FCC Licenses have been issued for the full terms customarily issued to a broadcast television station in the state in which the Station's community of license is located, and the FCC Licenses are not subject to any condition except for those conditions appearing on the face of the FCC Licenses and conditions applicable to broadcast television licenses generally or otherwise disclosed in Disclosure Schedule Sections 3.12(a)-(d).

(b) Except as set forth on Disclosure Schedule Section 3.12(b), the Company, has no applications pending before the FCC relating to the operation of the Station.

(c) Except as set forth on Disclosure Schedule Section 3.12(c), The Company (i) has operated the Station in compliance with the Communications Laws and the FCC Licenses in all material respects, (ii) has timely filed all material registrations and reports required to have been filed with the FCC, (iii) has paid or caused to be paid all FCC regulatory fees due in respect of the Station, and (iv) has completed or caused to be completed the construction of all facilities or changes contemplated by any of the FCC Licenses or construction permits issued to the Station. Except as set forth in Disclosure Schedule Section 3.12(c), there are no applications, petitions, proceedings, or other actions or, to the Knowledge of Seller, complaints or investigations, pending or, to the Knowledge of Seller, threatened before the FCC relating to the Station, other than proceedings affecting broadcast television stations generally. Except as set forth on Disclosure Schedule Section 3.12(c), neither Seller, the Company nor the Station, has entered into a tolling agreement or otherwise waived any statute of limitations relating to the Station during which the FCC may assess any fine or forfeiture or take any other action or agreed to any extension of time with respect to any FCC investigation or proceeding.

(d) Seller is qualified under the Communications Laws to transfer the FCC Licenses. To the Knowledge of Seller, and except as set forth on Disclosure Schedule Section 3.12(d), there is no fact or circumstance relating to the Station or Seller or any of its Affiliates that would cause the FCC to deny the FCC Application. Except as set forth on Disclosure Schedule Section 3.12(d), Seller has no reason to believe that the FCC Application might be challenged or might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to Seller's or the Company's operation of the Station, the Company, Seller, or any of their respective Subsidiaries.

### **Section 3.13. Cable and Satellite Matters.**

(a) Disclosure Schedule Section 3.13(a) contains a list of all retransmission consent or copyright indemnification agreements with MVPDs with more than 5,000 subscribers with respect to each Station as of the date of this Agreement. Except as set forth on Disclosure Schedule Section 3.13(a), The Company or the Station has timely made retransmission consent elections and entered into retransmission consent agreements (or such agreements have been entered into by Comcorp on behalf of the Station) with respect to each MVPD with more than 7,000 subscribers in the Market. Except as set forth on Disclosure Schedule Section 3.13(a), since July 31, 2011, no such MVPD has provided written notice to Seller or the Company of any signal quality issue or failed to respond to a request for carriage or to the Knowledge of Seller sought any form of relief from carriage of the Station from the FCC. Except as set forth on Disclosure

Schedule Section 3.13(a), since July 31, 2011, neither Seller nor the Company has received any written notice of the intention of any headend with more than 1,500 subscribers covered by an MVPD in the Station's Market to delete the Station from carriage or to change the Station's channel position.

(b) Disclosure Schedule Section 3.13(b) contains a list as of the date hereof, including the channel position where known, of the MVPDs that, to the Knowledge of Seller, carry the Station outside the Station's Market.

**Section 3.14. Employees; Labor Matters.**

(a) Seller has made available to Buyer a list, dated as of a date no earlier than five (5) days prior to the date of this Agreement, of all Employees, including the names, date of hire, current rate of compensation, employment status (i.e., active, disabled, on authorized leave and reason therefor), department, title, and whether full-time, part-time or per-diem. Such list, redacted to delete current rate of compensation and the reason for an employment status that is other than active status, is attached as Disclosure Schedule Section 3.14(a).

(b) Except as set forth in Disclosure Schedule Section 3.14(b), the Station is not subject to or bound by any labor agreement or collective bargaining agreement. To the Knowledge of Seller, there is no activity involving any Employee seeking to certify a collective bargaining unit or engaging in any other organizational activity.

(c) Except as set forth in Disclosure Schedule Section 3.14(c), (i) the Company is not engaged in any unfair labor practice that would reasonably be expected to have a Material Adverse Effect; (ii) there are no labor strikes, material labor disputes, concerted work stoppages or lockouts pending or, to the Knowledge of Seller, threatened; (iii) there are no grievances, complaints or other legal proceedings pending, or to the Knowledge of Seller, threatened, against the Company in connection with the employment of its Employees, except that would not reasonably be expected to result in a material liability; and (iv) the Company is in compliance with all applicable labor and employment laws in connection with the employment of its Employees, except for any failure to comply that would not reasonably be expected to result in a material liability.

**Section 3.15. Employee Benefit Plans.**

(a) Disclosure Schedule Section 3.15(a) identifies each material Employee Plan in existence immediately prior to the date of this Agreement. The Station and the Company do not sponsor any Employee Plan other than bonus, commission or other compensation plans, programs or arrangements; vacation, holiday, leave and other paid time off policies; and the severance obligations (collectively, the "**Company Sponsored Plans**") which are identified as such on Disclosure Schedule Section 3.15(a).

(b) Each Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination letter as to its qualification, and nothing has occurred that could reasonably be expected to adversely affect such qualification.

**Section 3.16. Environmental Matters.** Except as disclosed on Disclosure Schedule Section 3.16:

(a) no citation, written notice, request for information, order, complaint or penalty has been received, and, to the Knowledge of Seller, no Action has been brought by any Governmental Authority, in each case, alleging a material violation of, or material liability under, any Environmental Laws for Releases at any Real Property owned, leased or operated by the Company, except for those that have been fully and finally resolved with no continuing obligation on or to the Company;

(b) The Company holds all environmental permits, registrations or other authorizations necessary for the operation of the Business to comply with applicable material Environmental Laws in all material respects and the Company is in material compliance with the terms of such permits issued pursuant to Environmental Laws;

(c) The Company is in compliance with Environmental Laws in all material respects, including those relating to generation, storage, treatment, recycling, removal, cleanup, transport or disposal of Hazardous Materials;

(d) to the Knowledge of Seller, there have been no Releases of Hazardous Materials at, from, to, on or under any Owned Real Property that give rise to any material affirmative reporting or cleanup obligation under Environmental Law; and

(e) to the Knowledge of Seller, there are no underground storage tanks at the Owned Real Property, if any, and the Company does not utilize any underground storage tanks at the Real Property subject to the Real Property Leases.

**Section 3.17. Equipment.** Disclosure Schedule Section 3.17(a) lists all material items of Equipment owned or leased by the Company included in the Business. Except as otherwise set forth in Disclosure Schedule Section 3.17(b), all such material items of Equipment are in normal operating condition and repair in all material respects for the uses to which they are currently employed (ordinary wear and tear excepted), and to the Knowledge of Seller, are free from material defects (patent or latent) and have been maintained in accordance with normal industry practice. The Company owns or leases all Equipment which it uses in the Business, free and clear of all Liens, except Permitted Liens. Except as set forth on Disclosure Schedule 3.17(c), no Person other than the Company has any rights to use any of the Equipment or other tangible personal property included in the Purchased Assets, whether by lease, sublease, license or other instrument.

**Section 3.18. Brokers.** Except for Houlihan Lokey, whose fees will be paid by the Seller, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Seller, or any of its respective Subsidiaries.

**Section 3.19. Taxes.**

(a) Except for those Tax Returns set forth in Section 5.10, Seller has filed or caused to be filed on a timely basis, with the appropriate Governmental Authorities, all Income Tax Returns and all material other Tax Returns that were required to be filed (i) with respect to the Company and all such Tax Returns are complete and correct in all material respects and prepared in substantial compliance with all applicable laws and regulations. All Taxes owed by the Company have been timely paid (whether or not shown on any Tax Return and whether or not any Tax Return was required), except to the extent such Taxes are being contested upon audit by appropriate proceedings and which are disclosed on Disclosure Schedule Section 3.19(a) and for which an adequate reserve has been booked. None of the assets of the Company is subject to any lien in favor of the United States pursuant to Section 6321 of the Code for nonpayment of federal Taxes or any Tax lien in favor of any state or locality pursuant to any comparable provision of any state or local Law, or any other U.S. federal, state or local Tax Law.

(b) There are no Liens against the Interests or the assets of the Company in respect of any Taxes, other than with respect to Taxes not yet due and payable.

(c) Except as set forth on Disclosure Schedule Section 3.19(c), there are no material audits, examinations, suits, proceedings or investigations currently pending or threatened in writing by any Governmental Authority with respect to any Taxes relating to the Company or the Business.

(d) Except as set forth on Disclosure Schedule Section 3.19(d), the Company is not the beneficiary of any extension of time within which to file any material Tax Return.

(e) Except as set forth on Disclosure Schedule Section 3.19(e), the Company has not waived any statute of limitations in respect of any material Taxes or agreed to any extension of time with respect to a material Tax assessment or deficiency which extension is currently in effect.

(f) As of the Closing, there will be no Tax sharing agreements or similar arrangements in effect with respect to or involving the Company (excluding this Agreement).

(g) The Company is not a “**United States real property holding corporation**” within the meaning of Section 897(c)(2) of the Code.

(h) The Company is not a party to any “reportable transaction” within the meaning of Treasury Regulation Section 1.6011-4(b).

(i) Seller has delivered to Buyer true and complete copies of all income Tax Returns of the Company for the tax years ended December 31, 2009, 2010 and 2011 and will deliver true and complete copies of all Income Tax Returns of the Company for the tax year ended December 31, 2012 and any other Income Tax Returns filed by or on behalf of the Company after the date hereof, within thirty (30) days after filing.

(j) The Company has complied in all material respects with respect to (i) the withholding of all amounts required to have been withheld and paid in connection with any amounts paid or owing to any of its employees, agents, contractors, customers and nonresidents, and remitting such amounts to the proper agencies; and (ii) filing all federal, state, local and



foreign returns and reports with respect to employee Income Tax withholding, social security, unemployment Taxes and premiums.

(k) No claim has ever been made by any taxing authority in any jurisdiction in which the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(l) With respect to the Company, (i) there is no agreement, or requirement, to make any adjustment under Section 481(a) on the Code by reason of a change in accounting method or otherwise for any taxable period (or portion thereof) ending after the Closing Date; (ii) no election has been made or is required to treat any of its assets as owned by another Person pursuant to the provisions of Section 168(f) of the Internal Revenue Code of 1954 or as tax-exempt bond financed property or tax-exempt use of property within the meaning of Section 168 of the Code; and (iii) the Company does not own any property that is subject to a “section 467 rental agreement” as defined in Section 467 of the Code.

(m) The Company has not been a member of an affiliated group filing a consolidated federal income Tax Return. The Company does not have any material liability for the Taxes of any Person (i) under Treasury regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), (ii) as a transferee or successor, (iii) by contract, or (iv) otherwise.

(n) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion of any taxable period) after the Closing Date as a result of any (i) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax law); (ii) installment sale or open transaction disposition occurring on or prior to the Closing Date; (iii) cash basis method of accounting or percentage of completion method of accounting; (iv) an election under Section 108(i) of the Code; (v) prepaid amount received on or prior to the Closing Date or (vi) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of Tax law).

(o) The Company has not distributed to its stockholders or security holders stock or securities of a controlled corporation, nor has stock or securities of the Company been distributed, in a transaction to which Section 355 of the Code applies (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a “plan” or “series of related transactions” (within the meaning of Section 355(e) of the Code) that includes the transactions contemplated by this Agreement. The Company has not participated in any transaction intended to be governed by Section 361 of the Code.

(p) Except as set forth in Disclosure Schedule Section 3.19(p), the Company (i) is not a party to any joint venture, partnership, or other arrangement that is treated as a partnership for federal Income Tax purposes, (ii) is not a stockholder of a “controlled foreign corporation” as defined in Section 957 of the Code (or any similar provision of state, local or foreign law) and (iii) is not a stockholder in a “passive foreign investment company” within the meaning of Section 1297 of the Code.

(q) The Company does not have and has not had a permanent establishment in any foreign country as defined in any applicable Tax treaty or convention between the United States and such foreign country.

(r) The Company is not a party to any agreement, contract, arrangement or plan that would result in the payment of any “excess parachute payment” within the meaning of Code Section 280G (or any comparable provision of state, local or foreign law).

**Section 3.20. Title to Assets; Liens and Encumbrances.** Except as set forth on Disclosure Schedule Section 3.20, the Company owns good and marketable title to or has valid leasehold interests in all of the assets used in the operation of the Business, free and clear of all Liens except for Permitted Liens.

**Section 3.21. Capitalization of the Company.** The Interests constitute all of the issued and outstanding equity of the Company. Seller owns all of the Interests, beneficially and of record, free and clear of all Liens (other than Liens specified in clause (h) of the definition of Permitted Liens), except as disclosed on Disclosure Schedule 3.21. Except for this Agreement and as disclosed on Disclosure Schedule 3.21, there are no outstanding subscriptions, options, warrants conversion rights, rights of exchange or other agreements providing for the purchase, issuance or sale of any interest in the Company. There are no voting trusts, proxies or other agreements or understandings with respect to the voting or transfer of the Interests other than approvals from lenders that were obtained prior to the execution of this Agreement. The Company does not have any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which constitute indebtedness for borrowed money, intercompany indebtedness or an obligation to any Affiliate which will not be satisfied at Closing by Seller and shall provide Buyer with a copy of proof of such satisfaction.

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

Buyer represents and warrants to Seller as follows:

**Section 4.01. Existence and Power.** Buyer is a corporation duly formed, validly existing and in good standing under the Laws of the State of Maryland and has all requisite corporate power and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted. Buyer is duly qualified to do business and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer or on Buyer’s ability to timely perform its obligations under this Agreement or the Ancillary Agreements to which it will be a party.

**Section 4.02. Authorization.**

(a) The execution and delivery by Buyer of this Agreement and the Ancillary Agreements (to which Buyer will be a party), the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated

hereby and thereby are within Buyer's corporate powers and have been duly authorized by all requisite corporate action on the part of Buyer.

(b) This Agreement has been, and each Ancillary Agreement (to which Buyer is or will be a party) will be, duly executed and delivered by Buyer, as the case may be. This Agreement (assuming due authorization, execution and delivery by Seller) constitutes, and each Ancillary Agreement (to which Buyer is or will be a party) will constitute when executed and delivered by Buyer, the legal, valid and binding obligation of Buyer, as the case may be, enforceable against Buyer, as the case may be, in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

**Section 4.03. Governmental Authorization.** The execution, delivery and performance by Buyer of this Agreement and each Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) compliance with any applicable requirements of the HSR Act and (b) compliance with the Communications Laws.

**Section 4.04. Noncontravention.** The execution, delivery and performance of this Agreement by Buyer and each Ancillary Agreement to which Buyer or Buyer will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Buyer, (b) assuming compliance with the matters referred to in Section 4.03, conflict with or violate any Law or Governmental Order applicable to Buyer, (c) require any consent or other action by or notification to any Person under, constitute a default under, or give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Buyer or to a loss of any benefit to which Buyer is entitled under, any provision of any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Buyer is a party or by which any of Buyer's assets is or may be bound or (d) result in the creation or imposition of any Lien (except for Permitted Liens) on any asset of Buyer, except, in the cases of clauses (b), (c) and (d), for any such violations, consents, actions, defaults, rights or losses as have not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer or on Buyer's ability to timely perform its obligations under this Agreement or the Ancillary Agreements.

**Section 4.05. Absence of Litigation.** There are no Actions pending against or, to Buyer's knowledge, threatened against Buyer before any Governmental Authority that in any manner challenges or seeks to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement.

**Section 4.06. FCC Qualifications.** Except as set forth on Disclosure Schedule Section 4.06, Buyer is legally, financially and otherwise qualified under the Communications Laws (as in effect on the date hereof) to acquire (through the purchase of the Interests) the FCC Licenses and to own and operate the Station. Except as set forth on Disclosure Schedule Section 4.06, there are no facts known to Buyer, after due inquiry, that would disqualify Buyer as the transferee of

the FCC Licenses or as owner and operator of the Station, and no waiver or exemption, whether temporary or permanent of the Communications Laws is necessary for the FCC Consent to be obtained. As of the date hereof, Buyer has not received notice from any Person set forth on Disclosure Schedule Section 4.06 that such Person intends to challenge or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement. Except as set forth on Disclosure Schedule Section 4.06, Buyer has no reason to believe, after due inquiry, that the FCC Applications might be challenged or might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to Buyer or any of its Affiliates or any of their respective officers, directors, shareholder, members or partners. No waiver of or exemption, whether temporary or permanent, from any provision of the Communications Laws is necessary for the FCC Consent to be obtained.

**Section 4.07. Brokers.** Except as set forth on Disclosure Schedule Section 4.07, there is no broker, finder, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Buyer who or that might be entitled to any fee or commission from either Buyer or any of its Affiliates upon consummation of the transactions contemplated by this Agreement and the Ancillary Agreements for which Seller could become liable.

**Section 4.08. Financing.** At Closing, Buyer will have sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price, all related fees and expenses in connection with the transactions contemplated by this Agreement and any other amounts to be paid by it in accordance with the terms of this Agreement.

**Section 4.09. Projections and Other Information.** Buyer acknowledges that, with respect to any projections, forecasts, business plans, budget information and similar documentation or information relating to the Company, the Business or the Interests that Buyer has received from Seller or any of its Affiliates, (a) there are uncertainties inherent in attempting to make such projections, forecasts, plans and budgets, (b) Buyer is familiar with such uncertainties, (c) Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it, and (d) Buyer does not have, and will not assert, any claim against Seller or any of its directors, officers, employees, Affiliates or representatives, or hold Seller or any such persons liable, with respect thereto. Buyer represents that neither of Seller nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller, or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and neither Seller nor any of its Affiliates or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or its representatives or Buyer's use of, any such information, including any confidential memoranda distributed on behalf of Seller relating to Seller or other publications or data room information provided to Buyer or its representatives, or any other document or information in any form provided to Buyer or its representatives in connection with the sale of the Purchased Assets and the Interests and the transactions contemplated hereby. Notwithstanding anything herein to the contrary, nothing in this Section 4.09 will in any way limit Buyer's rights (including under Section 10.03(a) and Article XII) with respect to representations and warranties of Seller explicitly included herein.

**Section 4.10. Solvency.** Buyer is not entering into the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors. Immediately after giving effect to all of the transactions contemplated hereby, including the payment of the Purchase Price and payment of all related fees and expenses, Buyer and/or its Affiliates will be Solvent. For purposes of this Section 4.10, the term “**Solvent**” with respect to any Person means that, as of any date of determination, (a) the amount of the fair saleable value of the assets of such Person exceeds, as of such date, the value of all liabilities of such Person, including contingent and other liabilities, as of such date, as such quoted terms are generally determined in accordance with the applicable federal Laws governing determinations of the solvency of debtors, (b) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the business in which they are engaged or proposed to be engaged following such date and (c) such Person will be able to pay its liabilities, including contingent and other liabilities, as they mature. For purposes of this definition, “not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged” means that the Person will be able to generate enough cash from operations, asset dispositions or refinancing, or a combination thereof, to meet their obligations as they become due.

**Section 4.11. Investment.** Buyer is acquiring the Interests for its own account and for investment purposes and not with a view to the distribution thereof. Buyer acknowledges that none of the Interests has been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities law, the Interests must be held indefinitely, and Buyer must bear the economic risk of its investment in the Interests, until and unless the offer and sale of such Interests is subsequently registered under the Securities Act and all applicable state securities laws or an exemption from such registration is applicable. Buyer has such knowledge, sophistication and experience in business and financial matters that it is capable of evaluating an investment in the Interests, and Buyer can bear the economic risk of an investment in the Interests and can afford a complete loss of such investment.

## **ARTICLE V COVENANTS OF SELLER**

**Section 5.01. Operations Pending Closing.** Except (i) as contemplated, permitted or required by this Agreement, (ii) as set forth on Disclosure Schedule Section 5.01, (iii) as required by applicable Law or by a Governmental Authority of competent jurisdiction, or (iv) with the prior written consent of Buyer, which consent may not be unreasonably withheld, delayed or conditioned in the case of clauses (d), (g), (h), (i), (l), (m), (n), (o), (p), (q), or, as it relates to the foregoing, (u), and may otherwise be withheld in STG’s sole discretion, and subject to the provisions of Section 7.03 regarding control of the Station, from and after the date of this Agreement until the Closing, with respect to the Business, the Interests and the Station, as applicable, Seller shall cause the Company to:

- (a) operate the Business in compliance in all material respects with the Communications Laws, the FCC Licenses and all applicable Laws;
- (b) not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the FCC Licenses to expire or to be revoked, suspended or adversely

modified, or take or fail to take any action that would cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses listed on Disclosure Schedule Section 3.12(a);

(c) not sell, lease, license or otherwise dispose of or encumber the Interests or any of the assets of the Company, except (i) pursuant to or in accordance with existing Contracts set forth on Disclosure Schedule Section 3.05(a) or Disclosure Schedule Section 5.01(c) or (ii) immaterial assets in the ordinary course of business consistent with past practices;

(d) except as set forth on Disclosure Schedule Section 5.01(d), operate the Business in the ordinary course consistent with past practices (except where such conduct would conflict with the following covenants or with Seller's other obligations under this Agreement) and use commercially reasonable efforts to preserve substantially intact the relationships of Seller and the Company, with their respective customers, suppliers, licensors, licensees, distributors and others with whom Seller or the Company;

(e) not make any change in any method of accounting or accounting practice utilized in the preparation of the Business Financial Statements, except for any such change required by reason of a concurrent change in GAAP;

(f) maintain the Equipment in normal operating condition in conformity in all material respects with all applicable FCC technical regulations, ordinary wear and tear excepted;

(g) (i) not materially increase the rate of or prepay compensation (including wages, salaries and bonuses) or severance that is paid or payable to any Employee, except (A) in the ordinary course of business consistent with past practices or pursuant to existing compensation and fringe benefit plans, Employee Plans, practices and arrangements, (B) as may be required by Law or existing Contracts, or (C) as would not impose upon Buyer or the Company any liability with respect thereto; (ii) not enter into, renew or allow the renewal of or entering into, any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services for the Station that is not terminable at will, except in the ordinary course of business consistent with past practice or would not impose upon Buyer or the Company any liability with respect thereto, and (iii) not agree or commit to do any of the foregoing;

(h) except as set forth on Disclosure Schedule Section 5.01(h), not enter into, or become obligated under, any agreement or commitment, except for: (x) any individual Program Rights agreement with a term of one (1) year or less or that involves cash payments or cash receipts of \$100,000 or less after the Closing; *provided, however*, that in no event may the Company enter into Program Rights agreements that in the aggregate involve cash payments or cash receipts of \$200,000 or more after the Closing; and (y) any other agreement or commitment (other than advertising sales contracts for cash only) with a term of one (1) year or less or that involve cash payments or cash receipts of \$100,000 or less per year after the Closing; *provided, however*, that in no event may the Company enter into such other agreements or commitments that in the aggregate involve cash payments or cash receipts of \$200,000 or more after the Closing; and (z) any exercise of a renewal option under a Lease or Real Property Lease that

would otherwise terminate or expire, or where the deadline to exercise such renewal option would lapse, within one (1) year of the anticipated date of Closing;

(i) not enter into or agree or commit to enter into any new Tradeout Agreement relating to the Station with a value in excess of \$40,000, and, \$100,000 in the aggregate for all such new Tradeout Agreements, prior to Closing that will not be fully performed prior to the Closing or (B) make any guarantee of commercial ratings other than in the ordinary course of business consistent with past practice;

(j) utilize the Program Rights only in the ordinary course of business consistent with past practices and not sell or otherwise dispose of any such Program Rights;

(k) promptly notify Buyer of any attempted or actual collective bargaining organizing activity with respect to the applicable Employees that Seller has Knowledge of;

(l) except as set forth on Disclosure Schedule Section 5.01(1), not make or agree or commit to make any capital expenditure greater than \$40,000 in connection with any particular project relating to the Station, or greater than \$200,000 in total per Station;

(m) keep in full force and effect insurance comparable in amount and scope of coverage to that now maintained;

(n) not enter into any arrangement or Contract with any Subsidiary of Seller that survives the Closing;

(o) not enter into or become obligated under any new Contract which would be required to be listed on Disclosure Schedule Section 3.05(a) by virtue of Section 3.05(a) hereof or amend, modify, terminate or waive any material right under any Assumed Contract (including any Lease, Real Property Lease or employment Contract), other than as expressly permitted hereunder or as set forth in Section 5.01(h);

(p) not extend credit to advertisers other than in accordance with the Business' usual and customary policy with respect to extending credit for the sale of broadcast time and collecting Accounts Receivable;

(q) promote the programming of the Station (both on-air and using third party media) in a manner generally consistent with historical practice;

(r) except as set forth in Disclosure Schedule Section 5.01(r), timely make retransmission consent elections with all MVPDs located in or serving the Station's Markets;

(s) not sell, transfer or assign the Interests or permit to exist any Lien upon the Interests (other than Permitted Liens), or issue, sell or grant any subscription, option, warrant, conversion right, or right of exchange or other agreement providing for the purchase, issuance or sale of any equity interest in the Company;

(t) other than as set forth in Section 5.10, not permit the Company to change any election, change an annual accounting period, adopt or change any accounting method, file

any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action, or omit to take any action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action or omission would have the effect of increasing the present or future Tax liability or decreasing any present or future Tax benefit of the Company; and

(u) not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses.

Notwithstanding anything set forth in this Agreement, including, without limitation, this Section 5.01, to the contrary, between the date hereof and the Closing Date, Seller and its Affiliates may continue their account-clearing practices whereby Seller and the Company transfer all Cash and Cash Equivalents from the Company's accounts to accounts of Seller.

**Section 5.02. Access to Information.**

(a) Subject to applicable Laws relating to the exchange of information, between the date of this Agreement and the Closing Date, upon reasonable advance notice, Seller shall (i) give Buyer, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to Seller's key employees (including the president and the chief financial officer of Seller and the Company), and the offices, properties, books and records maintained by the Company that are related to the operation of the Station including reasonable access reasonably necessary to allow Buyer to implement payroll, benefits, financial reporting, accounts receivable, accounts payable and similar functions immediately after Closing, and to conduct Phase I Environmental Site Assessments of the properties; *provided*, Buyer and its representatives may not conduct any environmental sampling or other intrusive investigation unless permitted by Seller in its sole discretion, (ii) as promptly as practicable after the end of each month after the date of this Agreement, furnish to Buyer (A) a monthly balance sheet relating to the operation of the Station (without any allocations or adjustments reflected on the balance sheets included in the Business Financial Statements) and the related statement of operations and (B) monthly profit and loss statements for the Station and (iii) instruct its key employees, counsel and financial advisors of Seller to cooperate with Buyer in its activities and access pursuant to this Section 5.02(a); *provided, however*, that Buyer's access pursuant to (i) shall be with Seller's prior written consent (not to be unreasonably withheld or delayed) and shall have the right to have a representative of Seller present at all times. All such requests for access shall be directed to Seller's chief financial officer or his designee. Buyer's activities and access pursuant to this Section 5.02(a) shall be conducted in such manner as not to unreasonably interfere with the conduct of the Business or any of the businesses or operations of Seller or any of its Affiliates. Seller shall not be obligated to provide such access or information if Seller determines, in its reasonable judgment, that doing so would violate applicable Law, jeopardize the protection of an attorney-client privilege or expose Seller or its Subsidiaries to liability for disclosure of personal information. Until the Closing, the information provided will be subject to the terms of the Confidentiality Agreements and, without limiting the generality of the foregoing, Buyer shall not, and shall cause its representatives not to, use such information for any purpose unrelated to the consummation of the transactions contemplated hereby.



(b) For a period of one (1) year after the Closing Date, Seller, the Company and its Affiliates will hold, and will use their commercially reasonable efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning the Station and the Business.

(c) On and after the Closing Date, Seller will promptly afford to Buyer and its agents reasonable access to its books of account, financial and other records (including accountant's work papers), information, employees and auditors to the extent necessary for Buyer in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the Station; *provided, however*, that any such access by Buyer shall not unreasonably interfere with the conduct of the businesses or operations of Seller, or the Company any of their respective Affiliates and Seller shall have the right to have a representative of Seller present at all times.

(d) After Closing, Buyer shall cooperate with Seller and Seller's representatives in the investigation, defense or prosecution of any action which is pending or threatened against Seller, the Company or their respective Affiliates with respect to the Station or Seller or the Company, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller or Seller's representatives may reasonably request.

**Section 5.03. Title Commitments; Surveys.** Buyer, at its sole cost and expense, shall obtain from a national title insurance company, within sixty (60) days of the date of this Agreement, title commitments for owner's and lender's title insurance policies on (i) the Owned Real Property, if any, and (ii) Seller's leasehold interest in the parcels of Real Property that are leased and identified on Disclosure Schedule Section 5.03 (the "**Priority Leased Sites**") sufficient in form to allow Buyer to obtain, at Buyer's sole cost and expense, a standard form of, (a) commitments for owner's and lender's title insurance policies on the Owned Real Property and commitments for lessee's and lender's title insurance policies for the Priority Leased Sites (collectively the "**Title Commitments**"), and (b) an ALTA survey on each parcel of Owned Real Property and the Priority Leased Sites (the "**Surveys**"). The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Owned Real Property and Priority Leased Sites, subject to Permitted Liens, for such amount as Buyer reasonably directs. Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments and Surveys, *provided* that, neither Seller nor the Company shall be required to incur any cost, expense or other liability in connection therewith. If the Title Commitments or Surveys reveal any Lien on the title other than Permitted Liens, Buyer shall notify Seller in writing of such Liens as soon as Buyer becomes aware that such Lien is not a Permitted Lien, and Seller agrees to use commercially reasonable efforts prior to Closing to remove such Lien as required pursuant to the terms of this Agreement; *provided, however*, with respect to the Priority Leased Sites, Seller shall have no obligation to undertake to remove any Lien encumbering the fee interest to any Priority Leased Site nor shall Seller have any obligation to obtain any subordination agreement

or other instrument from the holder of any such liens. Notwithstanding anything to the contrary contained herein, neither Seller nor the Company shall be required to deliver any instrument or affidavit to the extent such instrument or affidavit would expand the representations and warranties of Seller in Section 3.07 hereof or its respective obligations, if any, to indemnify the Buyer Indemnified Parties for a breach of such representations or warranties pursuant to this Agreement, and any exceptions resulting therefrom in the Title Commitments shall not constitute or be deemed a failure by Seller nor the Company to satisfy their obligations under this Section 5.03 with respect to the deliverable condition of the Title Commitments.

**Section 5.04. Risk of Loss.** Seller shall bear the risk of casualty loss or damage to any of the assets of the Company prior to the Effective Time, and Buyer shall bear such risk on and after the Effective Time. In the event of any casualty loss or damage to the assets of the Company between the date of this Agreement and the Effective Time, Seller shall use commercially reasonable efforts to repair or replace (as appropriate under the circumstances) any lost or damaged asset other than any such asset which was obsolete and unnecessary for the continued operation of the Station consistent with Seller's or the Company's (as applicable) past practice and the FCC Licenses (a "**Damaged Asset**"). If Seller is unable to repair or replace a Damaged Asset by the Effective Time, the parties shall proceed to Closing, and Seller shall reimburse Buyer for all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the Damaged Assets or assign to Buyer the applicable portion of any insurance proceeds not previously expended by Seller or the Company to repair or replace the Damaged Asset after the Effective Time. The Disclosure Schedules shall be deemed modified to reflect any Damaged Asset for which Seller makes or is obligated to make a payment or which is replaced by Seller or the Company pursuant to this Section 5.04 and such Damaged Asset shall not be taken into account in determining if the conditions set forth in Section 10.03 have been satisfied.

**Section 5.05. No Negotiation.** Until such time as this Agreement shall be terminated pursuant to Section 11.01, Seller, the Company and their directors, officers, investment bankers and agents, shall cease any discussions or negotiations with, and shall not, directly or indirectly, solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any Person (other than Buyer) relating to any business combination transaction involving the Business, the Interests or the Station (other than in the ordinary course of business or as provided by this Agreement); *provided, however*, that this Section 5.05 will cease to apply in the event that (a) without limiting any rights or obligations of the parties hereunder, Buyer determines in good faith that any further reasonable efforts of Buyer requested by Seller to prosecute the FCC Application pursuant to Section 7.01(b) should not be made, (b) Seller determines in good faith that the FCC Consent is not likely to be granted or (c) Seller determines in good faith that any other condition to the Closing in Article X is not likely to be satisfied (other than as a result of Seller's breach). Seller shall notify Buyer of any such inquiry or proposal within twenty-four (24) hours of receipt or awareness of the same by Seller. For the avoidance of doubt, Buyer acknowledges that this Section 5.05 does not apply to any potential transaction involving the Other Seller Stations, or Seller and its respective Subsidiaries or their assets on a pro forma basis after giving effect to the consummation of the transactions contemplated by this Agreement.

**Section 5.06. No-Hire.** During the period beginning on the date hereof and ending on the first (1st) anniversary of the Closing Date, Seller will not, and Seller will cause each of its respective Subsidiaries (collectively with Seller, the “**Seller Prohibited Entities**”) not to, directly or indirectly, solicit to employ or hire any Employee of the Company who is contemplated to be or is a Transferred Employee, unless Buyer first terminates the employment of such employee, such employee voluntarily terminates his or her employment with Buyer or its Affiliates without inducement by Seller, or Buyer gives its written consent to such employment or offer of employment; *provided, however*, that such entities shall be permitted to make a general solicitation for employment not targeted to any Employee of Seller who is contemplated to be or is a Transferred Employee and shall not be prohibited from employing any such employee pursuant to such a general solicitation. The time period referred to in this Section 5.06 shall be tolled on a day-for-day basis for each day during which any Seller Prohibited Entity participates in any activity in violation of this Section 5.06 so that the Seller Prohibited Entities shall be restricted from engaging in the conduct referred to in this Section 5.06 of this Agreement for the full period contemplated hereby.

**Section 5.07. Financial Statements.** Seller shall provide reasonable assistance to Buyer in connection with the preparation and/or review of any financial statements of the Station required by Buyer and related to the period prior to Closing. Buyer shall be responsible for any fees and expenses of any accounting firm or other third party in connection with the preparation of such financial statements. Buyer and Seller will, reasonably cooperate with each other in connection with the preparation of the financial statements required pursuant to this Section 5.07. All such assistance and cooperation shall not unreasonably interfere with the business of Seller or the Company.

**Section 5.08. Non-duplication Letters.** At Closing, Seller shall deliver to Buyer copies of (i) letters sent by the Company to each MVPD with more than 5,000 subscribers in the Station’s Market advising such MVPD of Station’s network non-duplication rights (such letters, “**Non-Duplication Notices**”), and (ii) proof of receipt of such Non-Duplication Notices, in each case to the extent in Seller’s or the Company’s possession as of the date hereof; *provided, however*, that Seller shall have no obligation to deliver any Non-Duplication Notice other than the most recent sent to any particular MVPD by the Company with respect to the Station. If Seller or the Company does not have in its possession as of the date hereof a Non-Duplication Notice with respect to a particular MVPD with more than 5,000 subscribers in a Station’s Market, Seller shall use commercially reasonable efforts to obtain and deliver to Buyer at Closing (i) Non-Duplication Notice(s) to such MVPD(s) (ii) proof of receipt of such Non-Duplication Notices by each such MVPD.

**Section 5.09. Termination of Operational Agreements.** No later than December 31, 2013, Seller shall send, or shall cause TTBG OpCo to send, all written notices to Comcorp necessary to avoid any extension, renewal or similar action with respect to the Operational Agreements and to cause the Operation Agreements to terminate on October 14, 2014, and shall provide Buyer with a copy of any such notice.

**Section 5.10. Tax Returns.** Within sixty (60) days of the date hereof, the Company will file the following tax returns for all years with respect to which the statute of limitations is currently open: (a) corrected Texas margins tax return on a unitary (rather than consolidated)

basis, (b) Texas sales and use tax returns, (c) Texas personal property tax returns, and (d) New Mexico income, gross receipts and sales and use tax returns, and will pay all Taxes due with respect to such tax returns.

## **ARTICLE VI COVENANTS OF BUYER**

**Section 6.01. Access to Information.** As soon as practicable after the Closing Date, upon reasonable notice, Buyer shall cause the Company to afford promptly to Seller and its agents reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit Seller to determine any matter relating to its rights and obligations (or those of its Affiliates) hereunder or to any period ending on or before the Closing Date; *provided, however,* that Seller will hold, and will cause its agents to hold, in confidence, all confidential or proprietary information to which it has access to pursuant to this Section 6.01; *provided further, however,* that such access shall not unreasonably interfere with Buyer's business or operations.

**Section 6.02. Termination of Rights to the Names and Marks.** As soon as practicable after the Closing Date (and in any event within ninety (90) days thereafter), Buyer shall and shall cause each of its Affiliates to (a) cease and discontinue all uses of and (b) delete or remove the names and marks set forth on Disclosure Schedule Section 6.02 from all products, signage, vehicles, properties, technical information and promotional materials. Buyer, for itself and its Affiliates, agrees that the rights of the Business to the names and marks set forth on Disclosure Schedule Section 6.02 pursuant to the terms of any agreements between Seller and its respective Affiliates, on the one hand, and the Station, on the other, shall terminate on the Closing Date.

**Section 6.03. Insurance Policies.** All of the insurance policies with respect to the Station and the Business shall be cancelled or terminated with respect to the Station and the Business as of the Closing Date, and any refunded premiums shall be retained by Seller. Buyer will be solely responsible for acquiring and placing its casualty insurance, business interruption insurance, liability insurance and other insurance policies for the Station and the Business, including the assets and liabilities of the Company, for periods after the Closing.

## **ARTICLE VII COVENANTS OF BUYER AND SELLER**

### **Section 7.01. Governmental Consents.**

(a) Within ten (10) Business Days after the date of this Agreement, Buyer and Seller shall jointly file an application or applications with the FCC (collectively, the “**FCC Application**”) requesting FCC consent to the transfer of control of TTBG License Sub from Seller to Buyer, and Seller shall diligently prosecute the FCC Application and otherwise use their reasonable best efforts to obtain the FCC Consent as soon as possible; *provided, however,* except as provided in the following sentence, neither Buyer nor Seller shall be required to pay consideration to any third party to obtain FCC Consent. Buyer and Seller shall each pay one-half (1/2) of the FCC filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated. Buyer and Seller each shall oppose any petitions to deny or other objections filed with respect to the FCC

Application to the extent such petition or objection relates to such party. Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the receipt of the FCC Consent. Seller or the Company shall promptly enter into customary tolling or other arrangements if necessary and requested by the FCC to resolve any complaints with the FCC relating to any of the FCC Licenses. If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 11.01, Buyer and Seller shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the right of either party to exercise its rights under Section 11.01.

(b) The FCC Licenses of the Station expire on the dates corresponding thereto as set forth in Disclosure Schedule Section 3.12(a). If, at any point prior to Closing, an application for the renewal of any FCC License (a “**Renewal Application**”) must be filed pursuant to the Communications Laws, the Company shall timely execute, file and prosecute with the FCC such Renewal Application in accordance with this Section 7.01(d) hereof. If the FCC Application is granted by the FCC subject to a renewal condition, then, without limitation of Sections 7.01(a), (b) or (c) the term “**FCC Consent**” shall be deemed to also include the satisfaction of such renewal condition. Subject to the indemnification obligations set forth in Section 12.03(a)(iii), to avoid disruption or delay in the processing of the FCC Application or any portion thereof, Buyer agrees, as part of the FCC Application, to request that the FCC apply, to the extent necessary and appropriate, its policy permitting the assignment of FCC licenses involving multiple stations to proceed, notwithstanding the pendency of one or more Renewal Applications (the “**FCC Renewal Policy**”). Subject to the indemnification obligations set forth in Section 12.03(a)(iii), Buyer shall make such representations and agree to such undertakings as are required to be made to invoke the FCC Renewal Policy, including undertakings to assume, as between the parties and the FCC, the position of the applicant before the FCC with respect to any pending Renewal Application and to assume the corresponding regulatory risks relating to any such Renewal Application. Buyer acknowledges that, to the extent reasonably necessary to expedite grant by the FCC of any Renewal Application and thereby to facilitate grant of the FCC Application, Seller, without regard to the application of the FCC Renewal Policy, shall be permitted to enter into tolling, assignment and assumption or similar agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against the Station in connection with (i) any pending complaints that the Station aired programming that contained obscene, indecent or profane material, or (ii) any other enforcement matters against the Station with respect to which the FCC may permit Seller to enter into a tolling agreement; and, if and to the extent required by the FCC, Buyer agrees to become a party to and to execute such agreements subject to the indemnification obligation set forth in Section 12.03(a)(iii). Buyer and Seller shall consult in good faith with each other prior to Seller entering into any such tolling agreement under this Section 7.01(d). Seller agrees to become a party to such agreements to the extent requested by the FCC in order to attempt to avoid the requirement that Buyer become a party to such agreements.

(c) In connection with their obligations pursuant to this Section 7.01 with respect to pursuing the FCC Consent, Buyer and Seller 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 agency and of any material

communication received or given in connection with any Action by a private party, in each case with respect to this Agreement, the Station or the transactions contemplated hereby, (ii) notify each other of all documents filed with or received from any governmental agency with respect to this Agreement, the Station 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 agency in connection with the transactions contemplated by this Agreement and in connection with any investigation or other inquiry by or before any governmental agency relating to this Agreement, the Station or the transactions contemplated hereby, including any Action initiated by a private party. Subject to applicable laws relating to the exchange of information, each of Buyer and Seller 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 agency with respect to this Agreement, the Station or the transactions contemplated hereby.

**Section 7.02. Confidentiality.** Seller and Buyer are parties to the Confidentiality Agreement with respect to the Company and the Business. Buyer hereby assumes (and agrees to cause the Qualified Assignee to assume) the Confidentiality Agreement and agrees to be bound by the provisions thereof. Without limiting the terms of the Confidentiality Agreement, subject to the requirements of applicable law, all non-public information regarding Seller, the Company and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including, without limitation, all financial information provided by Seller and the Company) shall be confidential and shall not be disclosed to any other Person, except Buyer's representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

**Section 7.03. Control Prior to Closing.** The parties acknowledge and agree that, for the purposes of the Communications Laws, this Agreement and, without limitation, the covenants in Article V, are not intended to and shall not be construed to transfer control of the Station or to give Buyer any right to, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the programming, operations, or any other matter relating to the Station prior to the Closing Date, and the Company shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station up to the time of the Closing.

**Section 7.04. Public Announcements.** Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party 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, and except that the parties shall cooperate to make a mutually agreeable announcement.

**Section 7.05. Notices of Certain Events.** From the date hereof until the earlier to occur of the Closing Date and such time as this Agreement is terminated in accordance with Article XI, Seller, on the one hand, and Buyer, on the other hand, shall each promptly notify the other of:

(a) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(b) in the case of Seller, (i) the occurrence or non-occurrence of any event which, to Seller's Knowledge, has caused any representation or warranty made by it herein to be untrue or inaccurate in any material respect at any time on or after the date hereof and prior to the Closing and (ii) any material failure on the part of Seller to comply with or satisfy any covenant or agreement set forth herein to be complied with or satisfied by Seller hereunder on or after the date hereof and prior to the Closing; and

(c) in the case of Buyer, (i) the occurrence or non-occurrence of any event which, to its knowledge, has caused any representation or warranty made by it herein to be untrue or inaccurate, in any material respect, at any time on or after the date hereof and prior to the Closing and (ii) any material failure on the part of Buyer to comply with or satisfy any covenant, condition or agreement set forth herein to be complied with or satisfied by Buyer hereunder on or after the date hereof and prior to the Closing.

**Section 7.06. Retention of Records; Post-Closing Access to Records.**

(a) Notwithstanding anything to the contrary contained in this Agreement, Seller and its Affiliates may retain and use, at their own expense, copies of all documents or materials transferred hereunder, in each case, which (i) are used in connection with the businesses of Seller or its Affiliates, other than the Business, (ii) Seller or any of its Affiliates in good faith determines it is reasonably likely to need access to in connection with the defense (or any counterclaim, cross-claim or similar claim in connection therewith) of any suit, claim, action, proceeding or investigation against or by Seller or any of its Affiliates pending or threatened as of the Closing Date, or (iii) Seller or any of its Affiliates in good faith determines it is reasonably likely to need access to in connection with any filing, report, or investigation to or by any Governmental Authority.

(b) Notwithstanding anything to the contrary contained in this Agreement, for a period of three (3) years after the Closing Date, Seller and its Subsidiaries shall maintain, and provide Buyer and its representatives reasonable access to, those records of Seller and its Subsidiaries insofar as they relate to the Station that relate to periods prior to the consummation of the Closing, during normal business hours and on at least ten (10) Business Days' prior written notice (or such shorter time period as necessitated by the urgency of the underlying facts and circumstances). If Seller or any of its Subsidiaries shall desire to dispose of any of such books and records prior to the expiration of such three-year period in accordance with the record retention policies of Seller then in effect, Seller shall, prior to such disposal, give Buyer a reasonable opportunity, at Buyer's expense, to segregate and remove such books and records as Buyer may select, subject to destruction of correspondence and other similar documents in the ordinary course, in accordance with customary retention policies and applicable Law.

**Section 7.07. Cooperation in Litigation.** Buyer and Seller shall (and shall cause their respective Subsidiaries to) reasonably cooperate with each other at the requesting party's expense in the prosecution or defense of any claim, litigation or other proceeding arising from or related to the conduct of the Business and involving one or more third parties. The party requesting such cooperation shall pay the reasonable out-of-pocket expenses (excluding internal costs) incurred in providing such cooperation (including reasonable legal fees and disbursements) by the party providing such cooperation and by its Affiliates and its and their officers, directors, employees and agents.

## **ARTICLE VIII EMPLOYEE MATTERS**

### **Section 8.01. Compensation, Employee Benefits and Severance.**

(a) Buyer agrees to cause the Company to provide each Employee immediately prior to the Effective Time (collectively, the “**Continuing Employees**”), from and after the effective Time and for so long as such Continuing Employees remain employed by the Company or its Affiliates, with compensation that, in the aggregate, is no less favorable than the compensation provided to the Continuing Employees immediately prior to the Effective Time and employee benefits that are no less favorable to the employee benefits provided to similarly situated employees of Buyer; *provided, however*, that sales commissions and bonuses based on performance may be less to the extent of changes in performance by such Continuing Employee, to the extent such sales commissions and bonuses are based thereon. To the extent permitted by Law, Buyer shall cause the Company to give Continuing Employees full credit for purposes of eligibility waiting periods and vesting and benefit accrual (other than benefit accrual under a defined benefit pension plan) under the employee benefit plans and arrangements, vacation and leave policies and severance practices maintained by the Buyer or its Affiliates in which such Continuing Employees participate for such Continuing Employees' service with the Seller or its Affiliates or predecessors.

(b) Commencing on the Closing Date, the Continuing Employees shall cease to be eligible to participate in all Employee Plans (other than the Company Sponsored Plans). The Continuing Employees shall become active participants in the employee benefit plans and arrangements of the Buyer and its Affiliates effective on the Closing Date. The Buyer shall, to the extent necessary to give effect to the preceding sentence, amend the Buyer's and its Affiliates employee benefit plans and arrangements to add a special entry date so that the Continuing Employees shall be immediately eligible to participate in such plans and arrangements on the Closing Date.

(c) Without limiting the provisions of this Section 8.01, Buyer shall cause the Company to provide severance benefits to the Continuing Employees on terms that are at least as favorable as those provided to similarly situated employees of Buyer.

**Section 8.02. Savings Plan.** Buyer shall, or shall cause the Company to, establish or designate a tax-qualified defined contribution plan (a “**Buyer's 401(k) Plan**”) to accept rollover contributions from the Continuing Employees of any account balances distributed to them by the existing tax-qualified defined contribution plan established or designated by Seller (“**Seller's 401**



**(k) Plan**”). Buyer shall, or shall cause the Company to, allow any such Continuing Employees’ outstanding plan loan to be rolled into STG’s 401(k) Plan. The distribution and rollover described herein shall comply with applicable Law, and each party shall make all filings and take any actions required of such party by applicable Law in connection therewith. Buyer shall cause the Company’s 401(k) Plan to credit Continuing Employees with service credit for eligibility and vesting purposes for service recognized for the equivalent purposes under Seller’s 401(k) Plan.

**Section 8.03. Welfare Plans.** With respect to any welfare benefit plans maintained by Buyer or its Affiliates for the benefit of Continuing Employees on and after the Effective Time, to the extent permitted by law and the applicable insurance contracts, Buyer shall, or shall cause the Company to, (a) cause there to be waived pre-existing condition limitations to the same extent generally waived by Buyer with respect to its employees and (b) give effect, in determining any deductible and maximum out-of-pocket limitations, amounts paid by such Continuing Employees for the plan year in which the Closing occurs with respect to similar plans maintained by Seller.

**Section 8.04. Company Sponsored Plans and Accrued Vacation.** From and after the Effective Time, Buyer shall, or shall cause the Company to, honor (i) all Company Sponsored Plans in accordance with their terms in effect on the date hereof or replace such Company Sponsored Plans with employee benefit plans generally made available to Buyer’s employees, and (ii) all rights of employees of the Company that were accrued by such employees prior to the Effective Time to sick leave and, to the extent included as current liabilities in the calculation of Net Working Capital, vacation.

**Section 8.05. Flexible Spending Plan.** As of the Closing Date (the “**Transfer Date**”), Seller shall transfer from the Employee Plans that are medical and dependent care account plans (each, a “**Seller FSA Plan**”) to one or more medical and dependent care account plans established or designated by Buyer (collectively, the “**Buyer FSA Plan**”) the account balances (positive or negative) of Continuing Employees, and Buyer shall be responsible for the obligations of the Seller FSA Plans to provide benefits to the Continuing Employees with respect to such transferred account balances at or after the Transfer Date (whether or not such claims are incurred prior to, on or after the Transfer Date). Each Continuing Employee shall be permitted to continue to have payroll deductions made as most recently elected by him or her under the applicable Seller FSA Plan. As soon as reasonably practicable following the end of the plan year for the Buyer FSA Plan, including any grace period, Buyer shall promptly reimburse Seller for benefits paid by the Seller FSA Plans to any Continuing Employee prior to the Transfer Date to the extent in excess of the payroll deductions made in respect of such Continuing Employee at or prior to the Transfer Date but only to the extent that such Continuing Employee contributes to the Buyer FSA Plan the amount of such deficiency. This Section 8.05 shall be interpreted and administered in a manner consistent with Rev. Rul. 2002-32.

**Section 8.06. WARN Act.** Buyer shall not and shall cause the Company not to take any action on or after the Closing Date that would cause any termination of employment of any employees by the Company that occurs before the Closing to constitute a “plant closing” or “mass layoff” under the Worker Adjustment and Retraining Act of 1988, as amended (the “**WARN Act**”) or any similar state or local Law, or to create any liability to Seller for any employment terminations under applicable Law. Buyer shall assume all liabilities with respect

to any amounts (including any severance, fines or penalties) payable under or pursuant to the WARN Act or any similar state or local Law in connection with events that occur from and after the Closing, and Buyer shall reimburse Seller for any such amounts or any liabilities thereof incurred by Seller.

**Section 8.07. No Further Rights.** Without limiting the generality of Section 13.08, nothing in this Article VIII, express or implied, is intended to confer on any Person (including any Continuing Employees and any current or former employees of Seller or the Company) other than the parties hereto and their respective successors and assigns any rights, benefits, remedies, obligations or liabilities under or by reason of this Article VIII.

## **ARTICLE IX TAX MATTERS**

**Section 9.01. Bulk Sales.** Seller and Buyer hereby waive compliance with the provisions of any applicable bulk sales law and no representations, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such noncompliance; *provided, however*, that, subject to Section 9.02, Seller shall be liable for any liability arising from such non-compliance solely in accordance with Buyer's right to indemnification in accordance with Article XII.

**Section 9.02. Transfer Taxes.** All Transfer Taxes arising out of or in connection with the transactions effected pursuant to this Agreement shall be shared equally by Seller and Buyer. The party which has the primary responsibility under applicable law for the payment of any particular Transfer Tax, shall prepare the relevant Tax Return and notify the other party in writing of the Transfer Taxes shown on such Tax Return. Such other party shall pay the party that paid the Transfer Tax an amount equal to fifty percent (50%) of such Transfer Taxes in immediately available funds no later than the date that is the later of (i) five (5) Business Days after the date of such notice or (ii) two (2) Business Days prior to the due date for such Transfer Taxes. Seller shall and Buyer shall cooperate in the preparation, execution and filing of all Transfer Tax Returns and shall cooperate to seek and to secure any available exemptions from such Transfer Taxes.

**Section 9.03. FIRPTA Certificate.** Seller shall deliver to Buyer on the Closing Date, duly completed and executed certificates of non-foreign status pursuant to section 1.1445-2(b)(2) of the Treasury Regulations sufficient to exempt Buyer from the requirements of Code Section 1445(a). The sole remedy, including for purposes of Section 10.03 and Article XI or Article XII for failure to provide any such certificate shall be to permit Buyer to make any withholding as required pursuant to Section 1445 of the Code.

**Section 9.04. Taxpayer Identification Numbers.** The taxpayer identification numbers of Buyer and Seller are set forth on Disclosure Schedule Section 9.04.

**Section 9.05. Tax Indemnification, Filings and Proceedings.**

(a) Seller shall indemnify Buyer and its Affiliates and hold them harmless from and against: (i) all Taxes imposed on the Company for all Pre-Closing Tax Periods, (ii) with respect to any Straddle Period, all Taxes imposed on the Company attributable to the portion of

such Straddle Period that ends on and includes the Closing Date, and (iii) other expenses (including, without limitation, reasonable expenses of investigation and reasonable attorneys' and accountants' fees and expenses in connection with any action, suit or proceeding) actually incurred, suffered or accrued at any time by Buyer or its Affiliates arising out of or attributable to such Taxes; *provided, however*, that Seller shall not be liable for the foregoing Taxes to the extent such Taxes are taken into account in determining an adjustment to the Initial Purchase Price pursuant to Article II, and, *provided, further*, that Seller shall not indemnify or hold harmless Buyer or any of its Affiliates from and against any Taxes arising from or attributable to (x) any action or transaction outside the ordinary course of business taken with respect to the Company and/or its assets or business on the Closing Date but after Closing, or (y) any elections (including an election made under Section 338 of the Code or any comparable provision under an applicable law) made by Buyer or its Affiliates after Closing.

(b) Buyer shall indemnify Seller and its Affiliates and hold them harmless from and against any Taxes imposed on or with respect to the Company for which Seller is not liable under this Agreement.

(c) The amount of any Tax that is attributable to the portion of a Straddle Period that ends on and includes the Closing Date shall: (i) in the case of a Tax based on or measured by income, receipts or transactions, or other event-specific Taxes or payments, be determined based on an interim closing of the books of the Company as of the close of business on the Closing Date, and (ii) in the case of other Taxes, be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the Straddle Period ending on and including the Closing Date and the denominator of which is the total number of days in the Straddle Period. All determinations necessary to give effect to the foregoing allocation shall be made in a manner consistent with the past practice of the Company and its Affiliates.

(d) Seller shall be responsible for the preparation and timely filing of all Tax Returns of the Company that are due (taking into account requests for extensions to file such returns) on or before the Closing Date. Seller shall be responsible for the contents of the foregoing Tax Returns and for the payment of all Taxes due with respect thereto.

(e) Buyer shall be responsible for the preparation and timely filing of all Tax Returns of the Company that are required to be filed after the Closing Date. In the case of any such Tax Return(s) that include Pre-Closing Tax Periods (including for avoidance of doubt, Straddle Periods), then at least thirty (30) days prior to filing any such Tax Return(s), Buyer shall provide Seller with (i) a draft of such Tax Return and (ii) a statement of any Taxes owed in connection with the filing of such Tax Return and Seller's share thereof. Seller shall be entitled to review and comment on any such Tax Return before it is filed, Buyer shall make such changes to such Tax Return as Seller may reasonably request, and Buyer shall not file such Tax Return without Seller's consent, which consent shall not be unreasonably withheld. In the event Seller objects to a Tax Return pursuant to its consent rights, and the parties cannot resolve the objection, a filing extension shall be obtained and the matter shall be resolved by an independent accounting firm agreed upon by the parties. If there are no unresolved objections, then, to the extent applicable, at least two (2) days prior to the due date for filing such a Tax Return, Seller shall deliver to Buyer the funds required for the payment of those Taxes due with respect to such Tax

Return that are the responsibility of Seller under this Agreement, but, for the avoidance of doubt, only to the extent that such Taxes were not taken into account in determining an adjustment to the Purchase Price pursuant to Article II. All Tax Returns of the Company for any Straddle Period shall be prepared and filed in a manner consistent with the past practice of the Company. Buyer shall also be responsible for the preparation and timely filing of all Tax Returns of the Company for any Post-Closing Tax Period and for the payment of all Taxes due with respect thereto.

(f) The parties to this Agreement shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section 9.05 and any Tax Proceeding (as defined below) with respect to Taxes. Such cooperation shall include the provision by Seller, the Company or Buyer, as the case may be, to the other party any reasonably requested power of attorney with respect to Tax Returns or Tax Proceedings involving the Company in order to carry out the agreements set forth in this Section 9.05. The parties further agree (after Closing): (i) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by the other party, any extensions thereof) of the respective taxable periods, (ii) upon the other party's request, to give such other party access to such books and records which are reasonably relevant to a Tax Proceeding or Tax Return involving the Company and to make employees and personnel available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, (iii) to abide by all record retention agreements entered into with any Governmental Authority, and (iv) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records, and, if the other party so requests, to allow the other party within a reasonable time to take possession of such books and records to the extent they would otherwise be destroyed or discarded.

(g) Buyer agrees that it shall not amend (or cause or permit the Company to amend) any Tax Return of the Company for any taxable period beginning before the Closing Date without the prior written consent of Seller, which consent shall not be unreasonably withheld.

(h) Seller shall be entitled to receive any refunds or credits of any Taxes for which Seller is liable pursuant to this Agreement (including any interest in respect thereof), and Buyer shall cause the amount of any refunds or credits of Taxes (including interest) to which Seller is entitled under this Section 9.05, but which are received by or credited to Buyer after the Closing Date, to be paid to Seller within ten (10) Business Days following such receipt or crediting. In addition, at the request of Seller, Buyer shall (and shall cause the Company to) cooperate with Seller in seeking any Tax refunds or credits described in this Section 9.05(h).

(i) After Closing, any party to this Agreement shall promptly deliver to the other party any notice received by such party (or by an Affiliate thereof) from any Governmental Authority relating to Taxes for which such other party is or may be liable under this Agreement, including, for the avoidance of doubt, any notice relating to, or which could result in, a claim for indemnification pursuant to Section 9.05(a)(iii). To the extent that a party's failure to provide such notice materially prejudices the other party's ability to defend the claim or dispute that is the subject of such notice, then such other party's indemnification obligations shall be null and void with regard to such claim or dispute.

(j) Seller shall have the right to conduct and control any audit, examination, litigation or other proceeding with respect to Taxes (a “**Tax Proceeding**”) involving the Company to the extent it relates to any Pre-Closing Tax Period, *provided, however*, that Seller will not, without the written consent of Buyer, which consent shall not be unreasonably withheld or delayed, settle or compromise any such Tax Proceeding in a manner that would have the effect of increasing the Taxes of the Company in a Post-Closing Tax Period. Buyer shall have the right to participate in such proceeding at its own expense. In the case of any Tax Proceeding relating to a Straddle Period: (i) the party with the greatest amount of potential liability at stake shall have the right to control such proceeding, and (ii) the non-controlling party shall have the right to participate in such proceeding at its own expense and to consent, which consent shall not be unreasonably withheld or delayed, to any settlement or compromise thereof to the extent such settlement or compromise would have the effect of increasing the Taxes imposed on such party.

(k) Except as otherwise provided in this Section 9.05, any amounts owed by one party to the other party pursuant to this Section 9.05 shall be paid within two (2) Business Days of notice from the party entitled to receive such payment.

(l) The obligations of the parties under this Section 9.05 shall survive the Closing until sixty (60) days after the expiration of all applicable statutes of limitations.

## **ARTICLE X CONDITIONS TO CLOSING**

**Section 10.01. Conditions to Obligations of Buyer and Seller.** The obligations of Buyer and Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) No provision of any applicable Law and no Governmental Order shall prohibit the consummation of the Closing.

(b) The FCC Consent shall have been granted, shall be in full force and effect and shall have become a Final Order.

**Section 10.02. Conditions to Obligations of Seller.** The obligation of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following further conditions:

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date except, in both cases, (i) for changes expressly contemplated by this Agreement, or (ii) where the failures to be true and correct, individually or in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or any Ancillary Agreement. Buyer shall have performed in all material respects all obligations required to be performed by it under this

Agreement on or prior to the Closing Date. Seller 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 this Section 10.02(a) have been satisfied.

(b) Seller shall have received the following documents:

(i) The certificate of incorporation (or equivalent organizational document) for Buyer, certified as of a recent date by the Secretary of State of the applicable jurisdiction of organization;

(ii) a certificate of the Secretary of State as to the good standing as of a recent date of Buyer in such jurisdiction; and

(iii) a certificate of an officer of Buyer, given by such officer on behalf of Buyer and not in such officer's individual capacity, certifying as to the bylaws (or equivalent governing document) of Buyer and as to resolutions of the board of directors (or equivalent governing body) of Buyer authorizing this Agreement and the transactions contemplated hereby and thereby.

(c) Buyer shall have made or shall have made the deliveries contemplated in Section 2.05(a) and Section 2.05(c) and each Ancillary Agreement.

(d) The Operational Agreements shall remain in effect and the Company shall continue to comply with its rights and obligations under these agreements.

**Section 10.03. Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following further conditions:

(a) The representations and warranties of Seller made in this Agreement shall be true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date, except, in both cases, (i) for changes expressly contemplated or permitted by this Agreement, or (ii) where the failures to be true and correct, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect. Seller shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller, to the effect that the conditions set forth in this Section 10.03(a) have been satisfied.

(b) Buyer shall have received the following documents:

(i) The certificate of incorporation (or equivalent organizational document) for the Company, certified as of a recent date by the Secretary of State of the applicable jurisdiction of organization;

(ii) a certificate of the Secretary of State of each jurisdiction in which the Company is organized or qualified to do business in connection with the Business as to the good standing as of a recent date in such jurisdiction;

(iii) a certificate of an officer of Seller, given by each such officer on behalf of Seller and not in such officer's individual capacity, certifying as to the operating agreement (or equivalent governing document) of such Seller and as to resolutions of the board of managers (or equivalent governing body) of Seller authorizing this Agreement and the transactions contemplated hereby and thereby.

(c) Seller shall have obtained (and in the case of an affirmative Consent, delivered) the Consents to assignment or transfer listed on Disclosure Schedule Section 10.03(c) (or the third parties granting such Consents shall stand ready, willing and able to execute such consents, subject to the execution and delivery thereof by Buyer).

(d) Seller shall have delivered to Buyer mortgage discharges and termination statements on Form UCC-3, or other appropriate releases, which when filed will release and satisfy any and all Liens relating to the assets of the Company and the Interests, together with proper authority to file such termination statements or other releases at and following the Closing.

(e) Seller shall have made the deliveries contemplated in Section 2.05(b) and Section 2.05(c) and each Ancillary Agreement.

## **ARTICLE XI TERMINATION**

**Section 11.01. Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by the mutual written consent of Seller and Buyer;

(b) either by Seller or by Buyer:

(i) if the Closing shall not have occurred on or before the twelve (12) month anniversary of the date of this Agreement (the "**Termination Date**") so long as the terminating party is not then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement to the extent that would give the other party the right not to close pursuant to Section 10.02 or Section 10.03, as the case may be; or

(ii) if there shall be any Law that prohibits consummation of the transactions contemplated by this Agreement or if a Governmental Authority of competent jurisdiction shall have issued a Governmental Order enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

(c) by Seller:

(i) upon a breach of any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement, or if any representation or warranty of Buyer shall have become untrue, in either case such that the condition set forth in Section 10.02(a) would not be satisfied, unless such breach or untruth can be cured prior to Closing and after receipt of notice thereof, Buyer proceeds in good faith to cure such breach or untruth as promptly as practicable; *provided, however*, that Seller shall not have the right to terminate this Agreement pursuant to this Section 11.01(c)(i) if Seller is then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement to an extent which would give Buyer the right not to close pursuant to Article X; or

(ii) if all of the conditions set forth in Section 10.01 and Section 10.03 have been satisfied (other than those conditions that by their nature cannot be satisfied other than at the Closing, including the condition set forth in Section 10.03(d)) and Buyer fails to consummate the transactions contemplated by this Agreement within the earlier of (i) two (2) Business Days after the date the Closing should have occurred pursuant to Section 2.09 and (ii) the later of the date the Closing should have occurred pursuant to Section 2.09 and one (1) Business Day before the Termination Date, and Seller stood ready, willing and able to consummate the transactions contemplated by this Agreement during such period.

(d) by Buyer:

(i) upon a breach of any representation, warranty, covenant or agreement on the part of Seller set forth in this Agreement, or if any representation or warranty of Seller shall have become untrue, in either case such that the condition set forth in Section 10.03(a) would not be satisfied, unless such breach or untruth can be cured prior to Closing and after receipt of notice thereof, Seller proceeds in good faith to cure such breach or untruth as promptly as practicable; *provided, however*, that Buyer shall not have the right to terminate this Agreement pursuant to this Section 11.01(d)(i) if Buyer is then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement to an extent which would give Seller the right not to close pursuant to Article X; or

(ii) if all of the conditions set forth in Section 10.01 and Section 10.02 have been satisfied (other than those conditions that by their nature cannot be satisfied other than at the Closing) and Seller fails to consummate the transactions contemplated by this Agreement within the earlier of (i) two (2) Business Days after the date the Closing should have occurred pursuant to Section 2.09 and (ii) the later of the date the Closing should have occurred pursuant to Section 2.09 and one (1) Business Day before the Termination Date, and Buyer stood ready, willing and able to consummate the transactions contemplated by this Agreement during such period.

(e) The party desiring to terminate this Agreement pursuant to this Section 11.01 (other than pursuant to Section 11.01(a)) shall give written notice of such termination to the other party.



## **Section 11.02. Effect of Termination.**

(a) In the event of a valid termination of this Agreement pursuant to Section 11.01, this Agreement (other than Section 7.02, this Article XI, and Article XIII, which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates, directors, officers or employees) shall have any liability or further obligation, except as provided in Section 11.02(b) and Section 11.02(c) below. A termination of this Agreement shall not terminate the Confidentiality Agreement, nor, in each case, affect the parties' rights and obligations thereunder.

(b) If this Agreement is terminated by Seller pursuant to Section 11.01(c)(i) or Section 11.01(c)(ii), then Seller shall be entitled to the Escrow Deposit Funds as liquidated damages, and the parties to the Escrow Agreement shall immediately deliver joint written instructions to the Escrow Agent directing such disbursement. Seller shall, in addition, be entitled to prompt payment on demand from Buyer of the reasonable attorneys' fees actually incurred by Seller in enforcing its rights under this Agreement. The parties understand and agree that the amount of liquidated damages represents Seller's and Buyer's reasonable estimate of actual damages and does not constitute a penalty. Notwithstanding any other provision of this Agreement to the contrary, in the event that Seller terminates this Agreement pursuant to Section 11.01(c)(i) or Section 11.01(c)(ii), the payment of the Escrow Deposit Funds, together with any attorneys' fees, pursuant to this Section 11.02(b), shall be Seller's sole and exclusive remedy for damages of any nature or kind that Seller may suffer as a result of Buyer's breach or default under this Agreement or Buyer's failure to consummate the transactions contemplated by this Agreement, which would result in Seller's right to terminate this Agreement under Section 11.01(c)(i) or Section 11.01(c)(ii), as the case may be. The parties hereto acknowledge and agree that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

(c) If this Agreement is terminated by Buyer pursuant to Section 11.01(d)(i) or Section 11.01(d)(ii), then Buyer shall have the right to pursue all remedies available to Buyer at law, in equity or otherwise, *provided* that Seller's liability to Buyer for any and all Losses incurred or suffered by Buyer hereunder shall be limited to an aggregate amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000).

(d) If this Agreement is terminated under the provisions of this Article XI for any reason other than by Seller pursuant to Section 11.01(c)(i) or Section 11.01(c)(ii), then the parties to the Escrow Agreement shall deliver joint written instructions to the Escrow Agent directing the disbursement of the Escrow Deposit Funds to Buyer.

## **ARTICLE XII SURVIVAL; INDEMNIFICATION**

**Section 12.01. Survival.** The representations and warranties of the parties hereto contained in or made pursuant to this Agreement or in any certificate or other writing furnished pursuant hereto or in connection herewith shall survive in full force and effect until the first

anniversary of the Closing Date; *provided*, that the representations and warranties in Sections 3.14, 3.15, 3.19 and 3.21, shall survive until expiration of the applicable statute of limitations, plus sixty (60) days. The agreements to indemnify in Sections 9.05, 12.02(a)(ii), (iii), (iv) and (v), and Sections 12.03(a)(ii), (iii), (iv), (v) and (vi) shall survive for the applicable statute of limitations plus sixty (60) days, and Seller's agreement to indemnify in Section 12.03(a)(v) shall survive, (i) with respect to Losses in connection with a written Real Property Lease, a copy of which Seller has made available to Buyer prior to the date hereof, until the expiration of the current term of such Real Property Lease (without giving effect to any renewal or extension thereof), plus sixty (60) days, and (ii) with respect to Losses in connection with a Real Property Lease, other than a Real Property Lease subject to the preceding clause (i), until the expiration of the applicable statute of limitations, plus sixty (60) days. Except as otherwise set forth in this Section 12.01, none of the covenants and agreements shall survive the Closing except to the extent such covenants and agreements contemplate performance after the Closing, in which case such covenants and agreements shall survive until performed. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations thereto are fully satisfied.

**Section 12.02. Indemnification by Buyer.**

(a) Subject to Section 12.01, Buyer shall indemnify against and hold harmless Seller, and its Affiliates and their respective employees, officers, directors, successors and assigns (collectively, the "**Seller Indemnified Parties**") from, and agrees to promptly defend any Seller Indemnified Party from and reimburse any Seller Indemnified Party for, any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys' fees and expenses reasonably incurred) (collectively, "**Losses**"), which such Seller Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

(i) Buyer's breach of any of its representations or warranties contained in this Agreement (each such breach, a "**Buyer Warranty Breach**");

(ii) any breach or nonfulfillment of any agreement or covenant of Buyer under the terms of this Agreement;

(iii) the ownership, business or operation of the Station after the Effective Time.

(b) Notwithstanding any other provision to the contrary, Buyer shall not be required to indemnify and hold harmless any Seller Indemnified Party pursuant to Section 12.02(a): (A) unless such Seller Indemnified Party has asserted a claim with respect to such matters within the applicable survival period set forth in Section 12.01 and (B) until the aggregate amount of Seller Indemnified Parties' Losses resulting from Buyer Warranty Breaches exceeds One Hundred Nine Thousand Two Hundred Dollars (\$109,200) (the "**Threshold**") and then only to the extent of such Losses in excess of Fifty-Four Thousand Six Hundred Dollars (\$54,600) (the "**Deductible**"); *provided, however*, that the cumulative indemnification obligation of Buyer under

this Section 12.02 shall in no event exceed Two Million One Hundred Thousand Dollars (\$2,100,000) of the Purchase Price (the “**Cap**”), *provided further, however*, that neither the Deductible nor the Cap shall apply in the case of any indemnification under clauses (ii) or (iii) of Section 12.02(a).

**Section 12.03. Indemnification by Seller.**

(a) Subject to Section 12.01, Seller shall indemnify against and hold harmless Buyer, its Affiliates and their respective employees, officers, directors, successors and assigns (collectively, the “**Buyer Indemnified Parties**”) from, and agrees to promptly defend any Buyer Indemnified Party from and reimburse any Buyer Indemnified Party for, any and all Losses which such Buyer Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

(i) Seller’s breach of any of the representations or warranties contained in this Agreement (each such breach, a “**Seller Warranty Breach**”);

(ii) any breach or nonfulfillment of any agreement or covenant of Seller under the terms of this Agreement;

(iii) any Losses which Buyer incurs as a result of accepting liability for any enforcement action by the FCC relating to any period prior to the Closing;

(iv) any Losses which Buyer incurs which are a Pre-Existing Liability (as defined below);

(v) any Taxes of the Company related to any Pre-Closing Tax Period pursuant to Section 9.05;

(vi) Seller’s failure to obtain and deliver the Consents to assignment or transfer under the Real Property Leases listed on Disclosure Schedule Section 10.03(c), other than any Losses to the extent they arise out of (A) a breach of the applicable Real Property Lease by Buyer or (B) Buyer’s failure to use the Real Property subject to the underlying Real Property Lease to which any such Consent relates in the ordinary course of business consistent with Seller’s use thereof immediately prior to Closing; or

(vii) any Losses which Buyer incurs as a result of Comcorp Actions.

(b) Notwithstanding any other provision to the contrary, Seller shall not be required to indemnify and hold harmless any Buyer Indemnified Party pursuant to Section 12.03(a): (A) unless such Buyer Indemnified Party has asserted a claim with respect to such matters within the applicable survival period set forth in Section 12.01 and (B) until the aggregate amount of Buyer Indemnified Parties’ Losses resulting from Seller Warranty Breaches and indemnification under clause (iv) of Section 12.03(a) exceeds the Threshold, and then only to the extent of such Losses in excess of the Deductible; *provided, however*, that the cumulative indemnification obligation of Seller under this Section 12.03 shall in no event exceed the Cap, except for a Seller Warranty Breach of Section 3.21 (a “**Company Capitalization Warranty Breach**”) and the Seller’s indemnification obligations under Section 12.03(a)(vii), in which case,

the cumulative indemnification obligation of Seller under this Section 12.03 shall in no event exceed the Initial Purchase Price. Notwithstanding the foregoing, neither the Deductible nor the Cap shall apply in the case of any indemnification under clauses (ii), (iii), (iv), (v) and (vi) of Section 12.03(a) of this Agreement.

(c) Each of the following shall be a Pre-Existing Liability for the purposes of this Agreement other than to the extent treated as a current liability in the calculation of Net Working Capital:

(i) any liability or obligation under or with respect to any Contract, Permit, Governmental Order, Real Property Lease or Lease required by the terms thereof to be discharged prior to the Effective Time;

(ii) any liability or obligation for which Seller or the Company has already received or will receive the partial or full benefit of the asset to which such liability or obligation relates, but only to the extent of such benefit received;

(iii) the liability related to the Indebtedness;

(iv) any liability or obligation relating to or arising out of any Employee Plan or any ERISA, including, for the avoidance of doubt, any claims by Employees of the Station against such Employee Plans, or any liability arising from Seller's or the Company's legal obligations or premiums, funding or other amounts due to such Employee Plan;

(v) any Tax liability or obligation related to Pre-Closing Tax Periods;

(vi) any liability to indemnify, reimburse or advance amounts to any officer, director, employee or agent of Seller or the Company or any direct or indirect Subsidiary thereof, other than any liability to any Continuing Employee incurred on or after the Effective Time;

(vii) the liabilities and obligations arising with respect to the operation of the Business prior to the Effective Time;

(viii) any liability of Seller or the Company under or related to this Agreement or any document executed in connection therewith, including the Ancillary Agreements; and

(ix) any liability or obligation relating to or arising out of any stay-bonus, severance payments or similar payments made or owed to any Employee at or prior to Closing or related to or arising out of the transactions contemplated hereby.

#### **Section 12.04. Notification of Claims.**

(a) A party entitled to be indemnified pursuant to Section 12.02 or Section 12.03 (the "**Indemnified Party**") shall promptly notify the party liable for such indemnification

(the “**Indemnifying Party**”) in writing of any claim or demand that the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; *provided, however*, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party that was entitled to receive such notice was damaged as a result of such failure. Subject to the Indemnifying Party’s right to defend in good faith third party claims as hereinafter provided, the Indemnifying Party shall satisfy its obligations under this Article XII within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.

(b) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 12.04(a), the Indemnifying Party shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend any such claim or demand asserted against the Indemnified Party for so long as the Indemnifying Party shall continue in good faith to diligently defend against such action or claim. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case five (5) Business Days before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party under Section 12.04(a) of its election to defend in good faith any such third party claim or demand. So long as the Indemnifying Party is defending in good faith any such claim or demand asserted by a third party against the Indemnified Party, the Indemnified Party shall not settle or compromise such claim or demand without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, and the Indemnified Party shall make available to the Indemnifying Party or its agents all records and other material in the Indemnified Party’s possession reasonably required by it for its use in contesting any third party claim or demand. Whether or not the Indemnifying Party elects to defend any such claim or demand, the Indemnified Party shall have no obligations to do so. In the event: (i) the Indemnifying Party elects not to defend such claim or action; or (ii) the Indemnifying Party elects to defend such claim or action but fails to diligently defend such claim or action in good faith, the Indemnified Party shall have the right to conduct the defense thereof and to settle or compromise such claim or action without the consent of the Indemnifying Party, except that with respect to the settlement or compromise of such a claim, demand or action, the Indemnified Party shall not settle or compromise any such claim or demand or action without the consent of the Indemnifying Party (such consent not to be unreasonably withheld), unless the Indemnifying Party is given a full and completed release of any and all liability by all relevant parties relating thereto and has no obligation to pay any damages.

#### **Section 12.05. Net Losses; Subrogation; Mitigation.**

(a) Notwithstanding anything contained herein to the contrary, the amount of any Losses incurred or suffered by an Indemnified Party shall be calculated after giving effect to (i) any insurance proceeds received by the Indemnified Person (or any of its Affiliates) with respect to such Losses and (ii) any recoveries obtained by the Indemnified Party (or any of its Affiliates) from any other third party. Each Indemnified Party shall exercise reasonable best efforts to obtain such proceeds, benefits and recoveries. If any such proceeds, benefits or recoveries are received by an Indemnified Party (or any of its Affiliates) with respect to any Losses after an Indemnifying Party has made a payment to the Indemnified Party with respect

thereto, the Indemnified Party (or such Affiliate) shall pay to the Indemnifying Party the amount of such proceeds, benefits or recoveries (up to the amount of the Indemnifying Party's payment). With respect to any Losses incurred or suffered by an Indemnified Party, no liability shall attach to the Indemnifying Party in respect of any Losses to the extent that the same Losses have been recovered by the Indemnified Person from the Indemnifying Party, accordingly, the Indemnified Person may only recover once in respect of the same Loss.

(b) Upon making any payment to an Indemnified Party in respect of any Losses, the Indemnifying Party shall, to the extent of such payment, be subrogated to all rights of the Indemnified Party (and its Affiliates) against any third party in respect of the Losses to which such payment relates. Such Indemnified Party (and its Affiliates) and Indemnifying Party shall execute upon request all instruments reasonably necessary to evidence or further perfect such subrogation rights.

(c) Buyer and Seller shall use reasonable best efforts to mitigate any Losses, whether by asserting claims against a third party or by otherwise qualifying for a benefit that would reduce or eliminate an indemnified matter; *provided, however*, that no party shall be required to use such efforts if they would be demonstrably detrimental in any material respect to such party.

(d) Notwithstanding anything to the contrary contained herein, the amount of Losses for each claim under Section 12.03(a)(vii) shall be equal to the Buyer Indemnified Parties' actual Losses arising directly from the failure to obtain the Consent giving rise to such Losses, but in no event shall such Losses exceed, and Seller be liable pursuant to Section 12.03(a)(vii) for any amount in excess of, the amount equal to the reasonable and necessary replacement costs (including, all reasonable moving expenses, legal expenses, and other reasonable expenses incurred relating to the replacement) which would be incurred for a new site (comparable to the original site in all material respects) to replace the site which is the subject of the Real Property Lease for which such Consent has not been obtained; *provided*, that the foregoing limitation on the amount of Losses shall not limit any Buyer Indemnified Party's right to recover Losses it suffers from the failure to obtain the Consent even though the Buyer Indemnified Party does not replace the site which is the subject of the applicable Real Property Lease.

**Section 12.06. Computation of Indemnifiable Losses.** Any calculation of Losses for purposes of this Article XII shall be (a) reduced to take account of any net Tax benefit actually realized by the Indemnified Party arising from the deductibility of any such Loss in the year such Loss is incurred; and (b) increased to take account of any net Tax liability actually realized by the Indemnified Party arising from the receipt or accrual of any indemnity obligation hereunder. To the extent permitted by law, all indemnity payments made pursuant to this Agreement shall be treated by the parties hereto as an adjustment to the Purchase Price.

**Section 12.07. Exclusive Remedies.** Buyer and Seller acknowledge and agree that, if the Closing occurs, the indemnification provisions of this Article XII shall be the sole and exclusive remedies of Buyer and Seller for any breach of the representations or warranties or nonperformance of any covenants and agreements of Buyer or Seller contained in this Agreement or any Ancillary Agreement, and neither party shall have any liability to the other party under any circumstances for special, indirect, consequential, punitive or exemplary

damages, or lost profits, diminution in value or any damages based on any type of multiple of earnings of any Indemnified Party; *provided, however*, that nothing contained in this Agreement shall relieve or limit the liability of either party from any liability or Losses arising out of or resulting from fraud or intentional breach in connection with the transactions contemplated in this Agreement or the Ancillary Agreements.

**Section 12.08. No Special Damages, Mitigation.** No Indemnifying Party shall be liable to any Indemnified Party for special, indirect, consequential, punitive or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of earnings.

**Section 12.09. Treatment of Indemnity Benefits.** All payments made by Seller or Buyer, as the case may be, to or for the benefit of the other pursuant to any indemnification obligations under this Agreement shall be treated as adjustments to the Purchase Price for Tax purposes and such agreed treatment shall govern for purposes of this Agreement.

**Section 12.10. No Duplication; Prior Knowledge.** Notwithstanding any other provision of this Agreement to the contrary, (a) no Indemnified Party shall be entitled to indemnification or reimbursement under any provision of this Agreement or any Ancillary Agreement for any amount to the extent that such Person or its Affiliate has been indemnified or reimbursed for such amount under any other provision of this Agreement or any Ancillary Agreement and (b) Seller shall not be liable under this Article XII for any Losses arising from or relating to any inaccuracy in, or any breach of, any representation or warranty in this Agreement if Steve Pruett had knowledge of such inaccuracy or breach as of the date of this Agreement.

## **ARTICLE XIII GENERAL PROVISIONS**

**Section 13.01. Expenses.** Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**Section 13.02. Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission, if sent by facsimile, or (c) one Business Day after having been dispatched via a nationally recognized overnight courier service, to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13.02):

If to Buyer:

Sinclair Television Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, MD 21030  
Attention: President  
Facsimile: (410) 568-1533

With a copy, which shall not constitute notice, to:

Sinclair Broadcast Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, MD 21030  
Attention: General Counsel  
Facsimile: (410) 568-1537

If to Seller:

TTBG LLC  
Suite A  
888 3<sup>rd</sup> Street  
Atlanta, GA 30318  
Attn: Dan Sullivan  
Telephone : (615) 969-4000  
Facsimile: (678) 904-0556

Cerberus Operations & Advisory  
Company LLC  
875 Third Ave., 12th Floor  
New York, NY 10022  
Attn: Christopher A. Holt  
Telephone: (212) 894-5317

With a copy, which shall not constitute notice, to:

Wilkinson Barker Knauer, LLP  
2300 N Street, N.W., Suite 700  
Washington, D.C. 20037  
Attn: Robert D. Primosch, Esq.  
Telephone: (202) 383-3362  
Facsimile: (202) 783-5851

**Section 13.03. Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**Section 13.04. Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced because of any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.



**Section 13.05. Entire Agreement.** This Agreement, the Confidentiality Agreement and the Ancillary Agreements constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Buyer with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein.

**Section 13.06. Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign its rights under this Agreement without the other party's prior written consent; *provided, however*, that, with notice to but without the consent of Seller, Buyer may assign its right to purchase the Interests to either a wholly-owned, direct or indirect subsidiary of Buyer or to the Qualified Assignee prior to the filing of the FCC Application pursuant to Section 7.01(a). Notwithstanding the foregoing, Buyer shall assign its right to purchase the Interests to the Qualified Assignee prior to the filing of the FCC Application pursuant to Section 7.01(a) unless Buyer's and Seller's FCC counsel jointly and reasonably conclude it is likely that the FCC would consent to the transfer of control of TTBG License Sub from Seller to Buyer. With respect to any such assignment of the right to purchase the Interests (a) the Qualified Assignee or subsidiary shall deliver to Seller a written instrument of assumption with respect to this Agreement, in which such assignee (i) shall make to Seller the representations and warranties contained in Article IV of this Agreement with respect to such assignee and (ii) shall covenant to Seller to observe, satisfy, discharge and perform the covenants of Buyer set forth in this Agreement and (b) Sinclair Television Group, Inc. shall remain liable for all of its obligations hereunder (including those assigned to such assignee).

**Section 13.07. No Recourse.** No past, present or future director, officer, employee, incorporator, member, partner, equityholder, Affiliate, agent, attorney or representative of Seller, Buyer or any of their Affiliates shall have any liability for any obligations or liabilities of Seller or Buyer, respectively, under this Agreement or for any claim (whether in contract or tort, in law or in equity, or based upon any theory that seeks to "pierce the corporate veil" or impose liability of an entity against its owners or Affiliates or otherwise), liability or any other obligation arising under, based on, in respect of, in connection with, or by reason of, this Agreement or the transactions contemplated hereby, including its negotiation and/or execution.

**Section 13.08. No Third-Party Beneficiaries.** Except as expressly provided in Article IX, Article XII and Section 13.06, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 13.09. Amendments and Waivers.**

(a) This Agreement may not be amended or modified except by an instrument in writing signed by Seller and TTBG License Sub (only to the extent that any amendment or modification adversely affects the TTBG License Sub's obligations under this Agreement) and Buyer.

(b) At any time prior to the Closing, either party may (i) extend the time for the performance of any of the obligations or other acts of the other party hereto, (ii) waive any inaccuracies in the representations and warranties of the other party hereto contained herein or in any document delivered pursuant hereto or (iii) waive compliance by the other party hereto with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby.

(c) No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

**Section 13.10. Governing Law; Consent to Jurisdiction.**

(a) This Agreement and the negotiation, execution, performance or nonperformance, interpretation, termination, construction and all matters based upon, arising out of or related to this Agreement, whether arising in law or in equity (collectively, the “**Covered Matters**”), and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to the Covered Matters, except for documents, agreements and instruments that specify otherwise, shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof. All recording matters relating to the conveyance of each parcel of Owned Real Property will be conducted in conformity with the applicable requirements of local law governing the location of such parcel.

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the Delaware Chancery Court, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts (and, in the case of appeals, appropriate appellate courts therefrom) in any such Action and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The consents to jurisdiction set forth in this Section 13.10 shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this Section 13.10 and shall not be deemed to confer rights on any third party. The parties hereto agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

**Section 13.11. Specific Performance.** The parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The parties acknowledge and agree that the parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other parties have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity. Any

party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

**Section 13.12. WAIVER OF JURY TRIAL.** BUYER AND SELLER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER OR SELLER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

**Section 13.13. Counterparts.** This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

**Section 13.14. No Presumption.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

**Section 13.15. Disclosure Schedules.**

(a) The parties acknowledge and agree that (i) matters reflected in the Disclosure Schedules are not necessarily limited to the matters required by the Agreement to be disclosed in the Disclosure Schedules, (ii) the Disclosure Schedules may include certain items and information solely for informational purposes for the convenience of the parties and (iii) the disclosure by Seller of any matter in the Disclosure Schedules shall not be deemed to constitute an acknowledgment by Seller that the matter is required to be disclosed by the terms of this Agreement or that the matter is material. The specification of any dollar amount in the representations and warranties contained in the Agreement or the inclusion of any specific item in the Disclosure Schedules are not intended to imply that such amounts are within or outside the ordinary course of business for purposes of the Agreement.

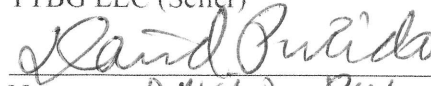
(b) If and to the extent any information required to be furnished in any section of the Disclosure Schedules is contained in the Agreement or in any section of the Disclosure Schedules, such information shall be deemed to be included in all sections of the Disclosure Schedules to the extent that the relevance of any such information to any other section of the Disclosure Schedules is readily apparent from the text of such disclosure.

(c) Seller has disclosed the information contained in the Disclosure Schedules solely for purposes of the Agreement, and no information contained therein shall be deemed to be an admission by any party thereto to any third party of any matter whatsoever, including of any violation of Law or breach of any agreement.

[SIGNATURE PAGES FOLLOW]

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

TTBG LLC (Seller)



Name: DAVID PULIDO

Title: Exec. VP

SINCLAIR TELEVISION GROUP, INC. (Buyer)

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

Title:

Buyer:

SINCLAIR TELEVISION GROUP, INC.

A handwritten signature in dark ink, appearing to read "David B. Amy", is written over a horizontal line.

David B. Amy, Secretary