

OPTION AGREEMENT

This OPTION AGREEMENT (the “*Agreement*”), dated as of August 29, 2016, is by and between ION Media Networks, Inc., a Delaware corporation (“*Option Holder*”), and Idaho Independent Television, Inc., an Idaho corporation (“*Grantor*”).

WITNESSETH:

WHEREAS, Grantor is the owner and licensee of broadcast television station KTRV-TV, Nampa, Idaho (the “*Covered Station*”) which serves the Boise, Idaho Designated Market Area (the “*Market*”);

WHEREAS, reference is made to that certain Asset Purchase Agreement, by and between Option Holder and Grantor, dated as of August 17, 2016 (the “*Purchase Agreement*”), pursuant to which Option Holder will acquire certain assets held by Grantor in connection with the business of the Covered Station;

WHEREAS, Option Holder and Grantor have entered into that certain Network Programming and Time Brokerage Agreement, dated as of the date hereof (the “*Network Programming Agreement*”), pursuant to which Grantor will make available time on the Covered Station and Option Holder will provide certain program and related advertising services in respect of the Covered Station;

WHEREAS, Grantor desires to grant to Option Holder an exclusive option to purchase certain material assets owned or held for use by Grantor relating to the Covered Station, including the FCC Licenses (as hereinafter defined) relating thereto, on the terms and conditions set forth herein effective as of the date designated as the Closing Date (as such term is defined in the Purchase Agreement) (the “*Effective Date*”); and

WHEREAS, Option Holder desires to acquire from Grantor the contemplated option to purchase such assets relating to the Covered Station on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto do hereby agree as follows:

ARTICLE 1 - COMMENCEMENT AND TERM

Section 1.1 Option. Grantor hereby gives, grants, transfers and conveys to Option Holder, and its successors and assigns (including pursuant to the terms and subject to the conditions of Section 7.8), the sole and exclusive right, privilege and option to purchase on the terms and conditions hereinafter set forth and effective as of the Effective Date, all of the tangible and intangible personal property, licenses, authorizations and leases, contracts and agreements, owned or held by Grantor or in which Grantor holds an interest, relating to the operation of the Covered Station, exclusive of the Excluded Assets (as hereinafter defined), including the property described below (such right, the “*Option*” and such assets, collectively, the “*Covered Assets*”):

(a) All of the licenses, construction permits and other authorizations issued by the FCC for the operation of the Covered Station, including any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Option Closing (as hereinafter defined) (collectively, the “**FCC Licenses**”);

(b) All other licenses, permits, construction permits, approvals, concessions, franchises, certificates, consents, qualifications, registrations, privileges and other authorizations and other rights, from any governmental authority to Grantor used in connection with the Covered Station, including any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Option Closing, in each case, to the extent transferrable in accordance with the terms thereof (collectively, the “**Permits**”);

(c) All common law or other intellectual property rights of Grantor in and to the Covered Station’s call signs and all goodwill associated therewith (the “**Intangible Property**”);

(d) that certain Lease Agreement, by and between (i) John H. Runkle, Jr. and Betty Jean Runkle, on the one hand, and (ii) John A. Serrao and Cary D. Jones, on the other, dated as of [an uncertain date in] 1981, or any successor lease thereto, or upon and subject to Option Holder’s written agreement to designate as a Covered Asset, any replacement to such Lease Agreement to which Grantor is a party as of the Option Closing (as applicable, the “**Tower Lease**”); and

(e) The tangible personal property owned by Grantor as of the Effective Date or thereafter acquired by Grantor used or useful in the operation of the Covered Station, including as set forth on *Schedule 1.1(c)* (the “**Tangible Personal Property**”).

Section 1.2 Consideration for Grant of Option. This Option is granted for the period set forth in Section 1.3 hereof in return for, among other consideration, the payment by Option Holder to Grantor of an amount equal to Six Thousand Dollars (\$6,000) (the “**Option Grant Consideration**”), which shall be due and payable on the Effective Date by wire transfer of immediate funds to an account designated by Grantor.

Section 1.3 Option Period. The Option shall be effective commencing on the Effective Date, and shall continue until the date that is eight (8) years following the Effective Date (the “**Initial Option Period**”), which Initial Option Period shall thereafter automatically be deemed to renew for additional terms of eight (8) years upon and subject to the corresponding renewal of the Term (as such term is defined in the Network Programming Agreement) of the Network Programming Agreement (each a “**Renewal Option Period**” and, collectively with the Initial Option Period, the “**Option Period**”). For the avoidance of doubt, in the event that the Network Programming Agreement shall be terminated or expire as a result of nonrenewal prior to the termination or expiration of this Agreement, the Initial Option Period or the then-current Renewal Option Period, as applicable, shall not automatically renew and, the Option Period shall expire at the end of such Initial Option Period or such then-current Renewal Option Period, as applicable.

Section 1.4 Exercise of Option. Option Holder may exercise the Option at any time during the Option Period, which exercise shall be effected by delivery of written notice thereof (the “**Exercise Notice**”) to Grantor. Upon exercise of the Option, Option Holder and Grantor shall be obligated to enter into the transactions to be consummated hereunder at the Option Closing, subject to the provisions of Articles 3 and 4 hereof.

ARTICLE 2 - SALE OF ASSETS

Section 2.1 Purchase of Covered Assets.

(a) **Transfer.** Upon the exercise of the Option with respect to the Covered Assets, Grantor shall, on the Closing Date (as hereinafter defined), sell, assign, transfer, convey and deliver to Option Holder all right, title and interest of Grantor in the Covered Assets free and clear of liens, claims and encumbrances (“**Liens**”), exclusive of the Assumed Liabilities (as hereinafter defined), other than Permitted Liens. As used in this Agreement, “**Permitted Liens**” means (i) Liens for taxes (A) not yet due and payable or (B) that are being contested in good faith by appropriate proceedings and for which appropriate reserves exist and as set forth on *Schedule 2.1(a)(i)*; (ii) landlord’s Liens and Liens for property taxes not delinquent; (iii) inchoate materialmen’s, mechanics’, carriers’, warehousemen’s, landlords’, workmen’s, repairmen’s, employees’ or other like Liens arising in the ordinary course of business and for which payment is not overdue; (iv) Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance, social security and other similar applicable law; (v) restrictions or rights granted to governmental authorities under applicable law; and (vi) zoning, building or similar restrictions relating to or affecting real property.

(b) **Excluded Assets.** Except for those assets specifically identified in Section 1.1, the Covered Assets shall not include any other assets, properties, interests or rights of any kind or description (the “**Excluded Assets**”), which Excluded Assets shall include all Real Property (as such term as defined in the Purchase Agreement). The Excluded Assets shall remain the property of Grantor.

(c) **Assumption of Obligations.** On the Closing Date, Option Holder shall assume and undertake to pay, discharge and perform the following obligations of Grantor to the extent such obligations arise out of events occurring on or after the Closing Date (the “**Assumed Liabilities**”) with respect to the Covered Assets:

(i) all obligations relating to the ownership or operation of the Covered Assets, including, for the avoidance of doubt, the Tower Lease, to the extent applicable;

(ii) obligations of Grantor as the holder of the Permits and the FCC Licenses, including to make all required FCC filings with respect thereto; and

(iii) obligations of Grantor as the owner of the Covered Station.

(d) **Excluded Liabilities.** Option Holder does not assume or agree to discharge or perform, and will not be deemed by reason of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed or to

have agreed to discharge or perform, and Grantor shall remain liable for, any liabilities, obligations or commitments of Grantor arising from the business or operation of the Covered Station before the Closing Date and any other obligations or liabilities other than the Assumed Liabilities (the “*Excluded Liabilities*”).

Section 2.2 Purchase Price. Upon exercise of the Option, at the Option Closing, and pursuant to the terms and subject to the conditions set forth in this Agreement, Option Holder shall pay to Grantor, without setoff or reduction of any kind, by wire transfer of immediate funds to an account designated by Grantor, an amount equal to the Cash Purchase Price (as defined on *Schedule 2.2* hereto).

Section 2.3 Allocation. No later than ninety (90) days following the Closing Date (or such later date in the event that an independent certified public accounting firm or other third party as may be mutually agreed upon by the parties (the “*Independent Accountant*”) is engaged to resolve a dispute relating to the Allocation (as hereinafter defined), Option Holder and the Grantor will allocate the Option Grant Consideration plus the Cash Purchase Price (along with any liabilities assumed by Option Holder and treated as transaction consideration for federal income tax purposes and any other item of consideration) in accordance with the respective fair market values of the Covered Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “*Code*”), and the Treasury Regulations promulgated thereunder (the “*Allocation*”). Option Holder and Grantor shall consult with each other and attempt in good faith to resolve any disputes relating to the Allocation and, if they are unable to do so, the disputed items shall be resolved (within a reasonable time, taking into account the deadline for filing the IRS Form 8594) by the Independent Accountant. The Independent Accountant shall act as an expert and not as an arbitrator and shall address only the disputed items and may not assign a value greater than the greatest value claimed for such item by either party or smaller than the smallest value claimed for such item by either party. The determination of the Independent Accountant will be made within sixty (60) days after being selected. The determination of the Independent Accountant shall be final and binding on the parties and none of them (nor any of their respective affiliates) will take any position inconsistent therewith on any tax return or otherwise for tax purposes, unless otherwise required by applicable law pursuant to a “determination” within the meaning of Section 1313 of the Code. The costs of any dispute resolution pursuant to this Section 2.3, including the fees and expenses of the Independent Accountant and of any enforcement of the determination thereof, shall be borne and paid 50% by Grantor and 50% by Option Holder. Option Holder and the Grantor agree to file their federal income tax returns and their other tax returns reflecting such Allocation as finally determined pursuant to this Section 2.3 and to use such allocation for tax reporting purposes.

Section 2.4 Closing. Upon the exercise of the Option, the consummation of the sale and purchase of the Covered Assets provided for in this Agreement (the “*Option Closing*”) shall take place no later than ten (10) business days after the satisfaction or, to the extent permissible by law, the waiver (by the party for whose benefit the closing condition is imposed) of, the conditions specified in Sections 3.4, 4.1, and 4.2 hereof. Alternatively, the Option Closing may take place at such other place, time, or date as the parties may mutually agree upon in writing. The date on which the Option Closing is to occur is referred to herein as the “*Closing Date*.”

Section 2.5 Transfer Taxes. To the extent that the transfer of the Covered Assets by Grantor to Option Holder upon exercise of the Option gives rise any federal, state, local or foreign transfer, excise, sales, use, or other similar transfer taxes (“**Transfer Taxes**”), Option Holder shall promptly pay such Transfer Taxes to the appropriate governmental authority (or other applicable recipient) and shall, at its own expense, prepare and file all necessary tax returns and other documentation with respect to all such Transfer Taxes. Grantor shall, to the extent required by applicable law, join in the execution of any such tax returns. Grantor shall reimburse Option Holder for one-half (1/2) of any such Transfer Taxes.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 3.1 Representations and Warranties of Grantor. Grantor represents and warrants to Option Holder as follows; *provided, however*, that Grantor makes no representation or warranty as to any action, event, occurrence or circumstance that was or shall be caused by Option Holder or that arose, or shall arise, from any omission by Option Holder to perform its obligations under the Network Programming Agreement:

- (a) The Grantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Idaho;
- (b) Grantor has the power and authority to enter into and to perform its obligations under this Agreement;
- (c) The execution, delivery and performance of this Agreement by Grantor has been duly authorized and this Agreement constitutes a valid and binding obligation of Grantor enforceable against Grantor in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors’ rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (d) *Schedule 3.1(d)* sets forth (i) as of the date hereof, a complete and accurate list of all the FCC Licenses and the Permits owned by Grantor, and (ii) as of the Closing Date, a complete and accurate list of all FCC Licenses and Permits then in effect;
- (e) Grantor is the holder of the FCC Licenses;
- (f) Grantor has good and marketable title to the Covered Assets free and clear of Liens, other than Permitted Liens and Liens that will be discharged at or prior to the Closing;
- (g) As of the Closing Date, Grantor shall have filed all material returns, reports, and statements that Grantor is required to file with the FCC and the Federal Aviation Administration. Except as set forth on *Schedule 3.1(g)* hereto, (i) there is no action, suit or proceeding pending or, to Grantor’s knowledge, threatened in writing against Grantor in respect of the Covered Station seeking to enjoin the transactions contemplated by this Agreement; and (ii) to Grantor’s knowledge, there are no governmental claims or investigations pending or threatened against Grantor in respect of the Covered Station (except those affecting the broadcasting industry generally); and

(h) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Grantor or any other party acting on Grantor's behalf.

Section 3.2 Representations and Warranties of Option Holder. Option Holder represents and warrants to Grantor as follows:

(a) The Option Holder is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware;

(b) Option Holder has the power and authority to enter into and perform its obligations under this Agreement;

(c) The execution, delivery and performance of this Agreement by Option Holder has been duly authorized and this Agreement constitutes a valid and binding obligation of Option Holder enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(d) Option Holder (or, for the avoidance of doubt, any permitted assignee) is financially, and as of the Option Closing (and subject to the grant of the FCC Consent (as hereinafter defined)) shall be legally and otherwise, qualified to be the licensee of, acquire, own and operate the Covered Station under the Communications Act of 1934, as amended (the "**Communications Act**") and the rules, regulations, policies and procedures of the FCC ("**FCC Rules**"), with no waiver of any FCC Rule that shall not have been obtained prior to the Option Closing being necessary; and

(e) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Option Holder or any party acting on Option Holder's behalf.

Section 3.3 Covenants of Grantor. During the Option Period, and subject to the Network Programming Agreement, and the performance by Option Holder of its obligations thereunder, Grantor covenants and agrees to:

(a) Operate the Covered Station in all material respects in accordance with the terms of the FCC Licenses, the Permits, the Communications Act, the FCC Rules and all other applicable statutes, ordinances, rules and regulations of governmental authorities;

(b) Refrain from taking any action that would cause the FCC Licenses not to be in full force and effect or to be revoked, suspended, cancelled, rescinded, terminated or expired;

(c) Maintain and repair facilities and equipment related to Grantor's operations with respect to the Covered Station, maintain its inventory of supplies, parts and other materials and keep books of account, records and files, in each case in the ordinary course of business, consistent with past practices;

(d) Maintain insurance on the Covered Assets and with respect to the operation of the Covered Station in such amounts and in such nature as in effect on the date hereof;

(e) File all material returns, reports, and statements that Grantor is required to file with the FCC;

(f) Not mortgage, pledge, subject to any Lien or otherwise encumber (or cause any of the foregoing to occur) any of the Covered Assets, except pursuant to any Permitted Lien;

(g) Not destroy or materially damage any of the Covered Assets; and

(h) Not sell, lease or otherwise dispose of any of the Covered Assets in a manner that is inconsistent with this Agreement, except for properties and assets sold or replaced with others of like kind and value in the ordinary course of business in compliance with the terms of the Network Programming Agreement.

Section 3.4 FCC Approval.

(a) *Compliance with Law.* Notwithstanding any provision to the contrary contained herein, Option Holder's rights under this Agreement are subject to the Communications Act and FCC Rules.

(b) *FCC Approval.* As soon as reasonably practicable, but in no event later than thirty (30) days after Option Holder's delivery of the Exercise Notice with respect to the Covered Assets, the parties shall file an application (the "***Consent Application***") with the FCC requesting the FCC's written consent to the assignment of the FCC Licenses from the Grantor to Option Holder. In addition, following the Option Holder's delivery of the Exercise Notice, each party hereto covenants and agrees to (i) prepare, file and prosecute any alternative application, petition, motion, request or other filing that may be required to obtain the FCC's consent to the assignment of the FCC Licenses from Grantor to Option Holder, including any permitted assignee of Option Holder pursuant to the terms and subject to the conditions of Section 7.8 hereof (including, upon the request of Option Holder, any motion for leave to withdraw or dismiss any Consent Application or other filing made by the parties in connection with the transactions contemplated by this Agreement in order to make any such filing) (collectively, the "***Additional Applications***" and, together with the Consent Application, the "***FCC Applications***"); (ii) file any amendment or modification to the FCC Applications; (iii) provide to the other party any information, documents or other materials reasonably requested by such other party in connection with the preparation of any such FCC Applications; (iv) prosecute the FCC Applications with commercially reasonable diligence and otherwise use their commercially reasonable efforts to obtain a favorable conclusion with regard to the FCC Applications; (v) otherwise take any other action with respect to the FCC as may be reasonably

necessary or reasonably requested by Option Holder in connection with the transactions contemplated hereby; and (vi) cooperate in good faith with the other party with respect to the foregoing covenants, in the case of each of the preceding clauses (i) through (v), all as may be reasonably determined by Option Holder to be reasonably necessary, appropriate or advisable in order to consummate the transactions contemplated hereby upon the exercise of the Option. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Applications, shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider the FCC Application. The FCC's written consent to the assignment of the FCC Licenses or transfer of the Subject Interests, as the case may be, contemplated hereby is referred to herein as the "**FCC Consent.**" The parties each agree to comply with any condition imposed on them by any FCC Consent, except that no party shall be required to comply with a condition if such condition requires such party to divest any of its direct or indirect assets. The parties shall oppose any petitions to deny or other objections filed with respect to the application for any FCC Consent and any requests for reconsideration or review of any FCC Consent.

Section 3.5 Bulk Sales. Each party hereby waives compliance with any applicable laws of any jurisdiction relating to bulk sales or bulk transfers in connection with the sale of the Covered Assets to Option Holder. Notwithstanding the foregoing, no such waiver shall limit or modify the parties' indemnification obligations under this Agreement.

ARTICLE 4 - CONDITIONS TO CLOSING

Section 4.1 Grantor Closing Conditions. Subject to the exercise of the Option pursuant to the terms and subject to the conditions of this Agreement, the obligations of Grantor hereunder are subject to satisfaction or waiver (to the extent permitted by law), at or prior to the Option Closing, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Option Holder made in this Agreement shall be true and correct in all material respects at and as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Option Holder at or prior to the Option Closing shall have been complied with or performed in all material respects. Grantor shall have received a certificate dated as of the Closing Date from Option Holder, executed by an authorized officer of Option Holder, to the effect that the conditions set forth in this Section 4.1(a) have been satisfied.

(b) **FCC Consent.** The FCC Consent shall have been obtained and be in effect and no court or governmental order prohibiting the Option Closing shall be in effect.

(c) **No Prohibitions.** No injunction, restraining order or decree of any nature of any governmental authority of competent jurisdiction shall be in effect that restrains or prohibits any party from consummating the transactions contemplated by this Agreement.

Section 4.2 Option Holder Closing Conditions. Subject to the exercise of the Option pursuant the terms and subject to the conditions of this Agreement, the obligations of Option Holder hereunder are subject to satisfaction or waiver (to the extent permitted by law), at or prior to the Option Closing, of each of the following conditions:

(a) *Representations, Warranties and Covenants.* The representations and warranties of Grantor made in this Agreement shall be true and correct in all material respects at and as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Option Holder at or prior to the Option Closing shall have been complied with or performed in all material respects. Option Holder shall have received a certificate dated as of the Closing Date from Grantor, executed by an authorized officer of Grantor, to the effect that the conditions set forth in this Section 4.2(a) have been satisfied.

(b) *FCC Consent.* The FCC Consent shall have been obtained and constitute a Final Order, and no court or governmental order prohibiting the Option Closing shall be in effect. For purposes hereof, “**Final Order**” shall mean an action by the FCC or other regulatory authority having jurisdiction (i) with respect to which action no timely request for stay, motion or petition for reconsideration or rehearing, application or request for review or notice of appeal or other judicial petition for review is pending and (ii) as to which the time for filing any such request, motion, petition, application, appeal or notice and for entry of orders staying, reconsidering or reviewing on the FCC’s or such other regulatory authority’s own motion has expired.

(c) *FIRPTA Certificate.* Option Holder shall have received a certificate, duly completed and executed pursuant to Section 1445 of the Code, certifying that Grantor is not a “foreign person” within the meaning of Section 1445 of the Code (the “**FIRPTA Certificate**”).

(d) *No Prohibitions.* No injunction, restraining order or decree of any nature of any governmental authority of competent jurisdiction shall be in effect that restrains or prohibits any party from consummating the transactions contemplated by this Agreement.

Section 4.3 Closing Date and Deliveries.

(a) *Grantor Documents.* Subject to the exercise of the Option with respect to the Covered Assets pursuant to the terms and subject to the conditions of this Agreement, at the Option Closing Grantor shall deliver or cause to be delivered to Option Holder:

(i) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby, by Grantor;

(ii) the certificates described in Sections 4.2(a) and (c) hereof;

(iii) an updated *Schedule 1.1(c)* setting forth all Tangible Personal Property as of the Closing Date;

(iv) an updated *Schedule 2.1(a)(i)*, setting forth all Liens contested in good faith as of the Closing Date;

(v) an updated *Schedule 3.1(d)*, setting forth all FCC Licenses and Permits in effect as of the Closing Date (for the avoidance of doubt, the delivery of such updated schedule shall not absolve Grantor of any liability for any breach of its representations, warranties, or covenants hereunder);

(vi) a bill of sale confirming the payment by Option Holder of the Cash Purchase Price and the conveyance by Grantor of the Covered Assets;

(vii) a duly executed Assignment and Assumption of FCC Licenses Agreement, substantially in the form of *Exhibit A*;

(viii) a duly executed Bill of Sale, substantially in the form of *Exhibit B*;

(ix) a duly executed Assignment and Assumption Agreement, including with respect to the Tower Lease, if applicable, substantially in the form of *Exhibit C*; and

(x) such other bills of sale, assignments and other instruments of conveyance, assignment and transfer as may be reasonably requested by Option Holder to convey, transfer and assign to Option Holder the Covered Assets, free and clear of Liens, except for Permitted Liens.

(b) *Option Holder Documents*. Subject to the exercise of the Option with respect to the Covered Assets pursuant to the terms and subject to the conditions of this Agreement, at the Option Closing Option Holder shall deliver or cause to be delivered to Grantor:

(i) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby, by Option Holder;

(ii) the certificate described in Section 4.1(a) hereof;

(iii) the Cash Purchase Price;

(iv) a duly executed Assignment and Assumption of FCC Licenses Agreement, substantially in the form of *Exhibit A*;

(v) a duly executed Assignment and Assumption Agreement, including with respect to the Tower Lease, if applicable, substantially in the form of *Exhibit C*; and

(vi) such other documents and instruments of assumption as may be reasonably requested by Grantor to evidence the assumption of the Assumed Liabilities.

ARTICLE 5 - INDEMNIFICATION

Section 5.1 Survival. The representations and warranties in this Agreement shall survive for twelve (12) months after the Closing Date, whereupon they shall expire and be of no further force or effect, except those under this Article 5 that relate to Damages (as hereinafter defined) for which written notice is given by the Indemnified Party to the Indemnifying Party prior to the expiration, which shall survive until resolved. Except as otherwise provided by this Section 5.1, the indemnification obligations hereunder shall survive any termination of this Agreement.

Section 5.2 Indemnification by Grantor. Subject to the limitations set forth in Section 5.5 below, from and after the Option Closing, Grantor shall defend, indemnify and hold harmless Option Holder from and against any and all losses, costs, damages, claims, suits, actions, judgments, liabilities and expenses, including reasonable attorneys' fees and expenses ("**Damages**"), incurred by Option Holder arising out of or resulting from:

(a) any material inaccuracy in, or breach or nonfulfillment of, any of the representations, warranties, covenants, agreements, or obligations of or made by Grantor in this Agreement or, any default by Grantor under this Agreement; and

(b) any of the Excluded Assets or Excluded Liabilities.

Section 5.3 Indemnification by Option Holder. Subject to the limitations set forth in Section 5.5 below, from and after the Option Closing, Option Holder shall defend, indemnify and hold harmless Grantor from and against any and all Damages incurred by Grantor arising out of or resulting from:

(a) any material inaccuracy in, or breach or nonfulfillment of, any of the representations, warranties, covenants, agreements, or obligations of or made by Option Holder in this Agreement, or any default by Option Holder under this Agreement;

(b) any of the Assumed Liabilities; and

(c) any and all acts or omissions of Option Holder in connection with the operation of the Covered Station from and after the Closing Date.

Section 5.4 Indemnification Procedures.

(a) **Third Party Claims.** If any person entitled to indemnification under this Agreement (an "**Indemnified Party**") receives notice of the assertion of a claim by a Person who is not a party to this Agreement or an affiliate of a party to this Agreement (a "**Third Party Claim**"), regardless of whether such Third Party Claim reflects the commencement of any action, suit, investigation, or other proceeding by or before any governmental authority, as to which such Indemnified Party intends to seek indemnification under this Agreement, such Indemnified Party shall give prompt written notice of such claim to the party from whom indemnification is to be sought (an "**Indemnifying Party**"), together with any and all available information regarding such Third Party Claim. The Indemnifying Party shall provide written notice to the Indemnified Party (the "**Defense Notice**") within thirty (30) days after receipt from

the Indemnified Party of notice of such Third Party Claim to advise the Indemnified Party whether it will assume the defense of such Third Party Claim; *provided*, that, if a response to such Third Party Claim is required by applicable law within thirty (30) days or less, the Indemnifying Party shall provide such notice at least ten (10) days prior to the date on which such response is due. The parties shall cooperate fully with each other in connection with the defense, negotiation or settlement of any Third Party Claim. If the Indemnifying Party delivers a Defense Notice to the Indemnified Party, the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as may be reasonably requested by the Indemnifying Party, all at the expense of the Indemnifying Party, and shall be entitled to reimbursement from the Indemnifying Party for its out-of-pocket expenses, which expressly exclude salary or other compensation or benefits paid to employees of the Indemnified Party.

(b) *Participation by Indemnified Party.* If the Indemnifying Party shall fail to give a Defense Notice, it shall be deemed to have elected not to conduct the defense of the subject Third Party Claim, and in such event the Indemnified Party shall have the right to conduct such defense in good faith. If the Indemnified Party defends any Third Party Claim, then, to the extent that the Indemnified Party is entitled to indemnification in respect of such Third Party Claim pursuant to Section 5.2 or 5.3, the Indemnifying Party shall reimburse the Indemnified Party for the reasonable costs and expenses of defending such Third Party Claim upon submission of periodic bills. If the Indemnifying Party elects to conduct the defense of the subject Third Party Claim, the Indemnified Party may participate, at his or its own expense, in the defense of such Third Party Claim; *provided*, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if so requested by the Indemnifying Party to participate; and *provided, further*, that the Indemnifying Party shall not be required to pay for more than one counsel for all Indemnified Parties in connection with any Third Party Claim. Regardless of which party defends a Third Party Claim, the other party shall have the right at its expense to participate in the defense of such Third Party Claim, assisted by counsel of its own choosing.

(c) *Settlement of Third Party Claim.* The Indemnified Party shall not compromise, settle, default on, or admit liability with respect to a Third Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed, and, if the Indemnified Party settles, compromises, defaults on, or admits liability with respect to a Third Party Claim except in compliance with the foregoing, the Indemnified Party will be liable for all Damages paid or incurred in connection therewith, and the Indemnifying Party shall have no obligation to indemnify the Indemnified Party with respect thereto. The Indemnifying Party shall not compromise or settle a Third Party Claim without the consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned, or delayed, unless such compromise or settlement includes (i) an unconditional release of the Indemnified Party without the imposition of any non-monetary obligations on the Indemnified Party other than immaterial administrative obligations and (ii) payment in full of all Damages incurred by the Indemnified Party, in which case the consent of the Indemnified Party shall not be required.

(d) *Direct Claims.* Any claim under this Article 5 by an Indemnified Party for indemnification other than indemnification against a Third Party Claim (a “**Direct Claim**”) will be asserted by giving the Indemnifying Party prompt written notice thereof, and the Indemnifying Party will have a period of thirty (30) days within which to satisfy such Direct Claim. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party will be deemed to have rejected such claim, in which event the Indemnified Party will be free to pursue such remedies as may be available to the Indemnified Party under this Article 5.

(e) *Failure to Provide Timely Notice.* A failure by an Indemnified Party to give timely, complete, or accurate notice as provided in this Section 5.4 shall not affect the rights or obligations of either party hereunder except to the extent that, as a result of such failure, any party entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise adversely affected or damaged as a result of such failure to give timely, complete, and accurate notice, in which case the Indemnifying Party’s obligations shall be reduced to the extent of such prejudice.

(f) *Insurance Proceeds.* The parties shall use their commercially reasonable efforts to collect the proceeds of any insurance that would have the effect of reducing any Damages (in which case such proceeds shall reduce such Damages). To the extent any Damages of an Indemnified Party are reduced by receipt of payment under insurance policies or from third parties not affiliated with the Indemnified Party, such payments (net of the expenses of the recovery thereof) shall be credited against such Damages and, if indemnification payments shall have been received prior to the collection of such proceeds, the Indemnified Party shall remit to the Indemnifying Party the amount of such proceeds (net of the cost of collection thereof) to the extent of indemnification payments received in respect of such Damages.

Section 5.5 Limitation of Liability. NEITHER PARTY HERETO SHALL BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), EXCEPT TO THE EXTENT SUCH DAMAGES ARE DIRECT DAMAGES UNDER APPLICABLE LAW ARISING FROM A THIRD PARTY CLAIM SUBJECT TO INDEMNIFICATION HEREUNDER.

Section 5.6 Exclusive Remedies. Subject to Section 7.15, the parties hereto acknowledge and agree that the sole and exclusive remedy with respect to any and all claims (other than claims arising from intentional fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein, shall be pursuant to the indemnification provisions set forth in this Article 5. Nothing in this Section 5.6 shall limit the rights of any party hereto to seek and obtain any equitable relief to which such party may be entitled pursuant to Section 7.15 or to seek any remedy on account of intentional fraud by any party hereto.

Section 5.7 Tax Treatment. All amounts received by any party as indemnification payments pursuant to this Article 5 will be treated for all tax purposes as adjustments to the aggregate consideration paid by Option Holder to Grantor pursuant to this Agreement to the maximum extent permitted by applicable law.

ARTICLE 6 - TERMINATION

Section 6.1 *Termination.*

(a) *Outside Date.* Either party shall have the right, provided that the party seeking to exercise such right is not in material breach of this Agreement at the time it seeks to exercise such right, to terminate this Agreement during the Term by delivering written notice (a “**Termination Notice**”) to the other party if Option Holder shall have exercised the Option, but the Option Closing shall not have occurred by the date that is twelve (12) months following the date of Grantor’s receipt of the Exercise Notice.

(b) *Effective Date of Termination Notice.* A Termination Notice, delivered pursuant to the terms and subject to the conditions of Section 6.1(a), shall be become effective immediately upon delivery in accordance with Section 7.1.

Section 6.2 *Effect of Termination; Survival.*

(a) *Effect and Survival.* In the event of the termination of this Agreement pursuant to Section 6.1, this Agreement shall forthwith become null and void and have no effect, and the obligations of the parties under this Agreement shall terminate, except for (i) this Section 6.2, Section 5.2, Section 5.3, Section 5.5, and Section 7.16, all of which shall survive indefinitely, and (ii) all representations and warranties in this Agreement, which shall survive for a period of one (1) year after the date of the expiration or termination of this Agreement.

(b) *Prejudice.* The termination or expiration of this Agreement shall be without prejudice to any rights or obligations of the parties that may have accrued prior to such termination.

ARTICLE 7 - MISCELLANEOUS

Section 7.1 *Notices.* All notices, demands and requests required or permitted under the provisions of this Agreement shall be in written or electronic form, and shall be deemed delivered (a) on the date of delivery when (i) delivered by hand or (ii) sent by reputable overnight courier maintaining records of receipt and (b) on the date of transmission when sent by facsimile with written confirmation of transmission by the transmitting equipment and (c) on the date of confirmation of receipt by the recipient when sent by email; *provided*, that any such communication delivered by facsimile or other electronic transmission shall only be effective if such communication is also delivered by hand or deposited with a reputable overnight courier maintaining records of receipt within two (2) Business Days after its delivery by facsimile or other electronic transmission. All such communications shall be addressed to the parties at the address set forth in *Exhibit D*, or at such other address as a party may designate by written notice to the other party in accordance with this Section 7.1.

Section 7.2 *Further Assurances.* Subject to the terms and conditions of this Agreement, each of the parties hereto will use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or

advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

Section 7.3 Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, no party shall be liable to another party for failure to perform any obligation under this Agreement if prevented from doing so by reason of fires, acts of terrorism, strikes, labor unrest, embargoes, civil commotion, rationing or other orders or requirements, acts of civil or military authorities, acts of God or other contingencies, including equipment failures, beyond the reasonable control of the parties, and all requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of such contingency which shall interfere with such performance; provided that the foregoing shall not apply to any obligation of a party to make any payment required hereunder.

Section 7.4 Confidentiality; Announcements.

(a) *Confidentiality.* Each party shall hold in strict confidence all documents and information concerning the other and its business and properties and, if this Agreement is terminated, such confidences shall be maintained, and all documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing such documents and information.

(b) *Permissible Disclosures.* Notwithstanding anything contained herein to the contrary, no party shall be prohibited from (i) making any disclosures to any governmental authority that it is required by applicable law, including, without limitation, the filing of this Agreement with the FCC and placing a copy of this Agreement in the public inspection files of the Covered Station or any station licensed to Option Holder or an affiliate of Option Holder, (ii) disclosing this Agreement or its terms to its attorneys, accountants, agents or advisors, (iii) providing a copy of this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party or (iv) disclosing to its investors and broker/dealers such terms of this transaction as are customarily disclosed to them in connection with similar transactions.

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

Section 7.5 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such

waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliances as set forth in this Section 7.5.

Section 7.6 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or enforceable, 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 any acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

Section 7.7 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered by the parties hereto in accordance with the terms of this Agreement.

Section 7.8 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but, except as provided for herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by Grantor without the prior written consent of Option Holder. Without the consent of Grantor, Option Holder shall have the right to assign its rights and obligations under this Agreement to any other party or parties, including, for the avoidance of doubt, following the exercise of the Option; *provided, however*, that Option Holder, as assignor, shall not thereby be released of its obligations hereunder.

Section 7.9 Payment of Expenses. Except as otherwise provided herein, Grantor and Option Holder shall pay their own expenses incident to the preparation and performance of this Agreement, including all fees and expenses of their respective counsel.

Section 7.10 No Third Party Beneficiaries. Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

Section 7.11 Relationship and Dealings with Third Parties. Each of the parties hereto is an independent contractor, and no party is, nor shall be considered to be, the agent of another party for any purpose whatsoever. Neither party has any authorization to enter into any contracts nor assume any obligations for the other party nor make any warranties or representations on behalf of the other party, other than as expressly authorized herein. Nothing in this Agreement shall be construed as establishing an agency, partnership, fiduciary relationship or joint venture relationship between the parties hereto. Neither party is nor shall hold itself out to be vested with any power or right to bind contractually or act on behalf of the other party as the other party's contracting broker, agent or otherwise for committing, selling, conveying or transferring any of

the other party's assets or property, contracting for or in the name of the other party or making any representations contractually binding the other party.

Section 7.12 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of New York without giving effect to the choice of law provisions thereof.

Section 7.13 Jurisdiction. Any action, suit or other proceeding arising from or relating to this Agreement must first be brought in the U.S. District Court for the Southern District of New York, provided that, if such an action cannot be maintained in that Court, then the dispute may be brought, alternatively, in the courts of the State of New York sitting in the Borough of Manhattan, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth on *Exhibit D* shall be effective service of process for any action, suit or other proceeding brought in any such court.

Section 7.14 Headings and Interpretation. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. A reference in the singular shall be deemed to include the plural and the plural shall be deemed to include the singular. A reference to one gender shall include any other gender. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "party" and "parties" shall be deemed references to parties to this Agreement unless the context shall otherwise require. The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Except as specifically otherwise provided in this Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Agreement or the Schedules or Exhibits hereto, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the schedules and exhibits to this Agreement. The terms "or" is used in its inclusive sense ("and/or"). All references to "Dollars" and "\$" refer to the currency of the United States. "Business Day" means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or is a day on which banking institutions located in New York, New York are authorized or required by applicable law to close. As used in this Agreement, to "**Grantor's knowledge**" and similar phrases shall mean the actual knowledge of any Dan Paixao, Ken Hunter, or Bill Lamb, or any of their respective successors, after reasonable inquiry.

Section 7.15 Specific Performance; Remedies Cumulative. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that, subject to compliance with applicable law, including, to the extent applicable, obtaining the FCC Consent, the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. The rights and remedies of the parties hereto shall be cumulative and not alternative.

Section 7.16 Additional Limitation of Grantor Liability. Notwithstanding any other provision of this Agreement to the contrary, Grantor shall have no liability to Option Holder or any of its directors, officers, employees, affiliates, agents, representatives, successors or assigns for any act or omission by Grantor to the extent caused by any act or omission of Option Holder hereunder or under the Network Programming Agreement.

Section 7.17 Temporary Modification of Broadcast Operations.

(a) Subject in all respects to paragraph (b) below, if prior to the termination or expiration of this Agreement, the Network Programming Agreement shall be terminated by Grantor solely pursuant to the terms and subject to the conditions of Section 6.1(a) of the Network Programming Agreement arising from a breach thereof by Option Holder, then Grantor shall have the right to file for a special temporary authorization with the FCC in accordance with FCC Rules to temporarily cease or otherwise modify the broadcast operations of the Covered Station (“*STA*”) and thereafter and subject to the terms and conditions of such *STA*, to temporarily cease or otherwise modify its broadcast operations pursuant thereto.

(b) Nothing contained in Section 7.17(a) above shall be deemed to limit or modify the covenants and obligations of Grantor pursuant to the terms and subject to the conditions of Sections 3.3(a) and (b) hereof and any cessation or modification of broadcast operations shall be conducted in a manner consistent with, and subject to, the covenants and obligations of Grantor thereunder, including with respect to the maintenance of the FCC Licensees; *provided* that in the event of any temporary cessation or modification of broadcast operations pursuant to the terms and subject to the conditions of Section 7.17(a), Option Holder shall reasonably cooperate with Grantor to provide the Covered Station with the necessary programming to comply with Sections 3.3(a) and (b) at no additional cost to Grantor with respect to the provision of such programming.

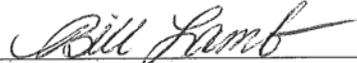
Section 7.18 Entire Agreement. This Agreement, together with the Purchase Agreement and the Network Programming Agreement and the schedules and exhibits expressly contemplated hereby and attached hereto, and the other agreements, certificates and documents delivered in connection herewith or otherwise in connection with the transactions contemplated hereby and thereby, contain the entire agreement among the parties with respect to the transactions contemplated by this Agreement, and supersede all prior and contemporaneous agreements or understandings, whether written or oral, between the parties with respect to the subject matter hereof.

Section 7.19 Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Agreement (and each amendment, modification and waiver in respect of it) by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of each such instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of Option Holder and Grantor as of the date first written above.

GRANTOR:
IDAHO INDEPENDENT TELEVISION, INC.

By: 
Name: Bill Lamb
Title: Vice President

OPTION HOLDER:
ION MEDIA NETWORKS, INC.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of Option Holder and Grantor as of the date first written above.

GRANTOR:

IDAHO INDEPENDENT TELEVISION, INC.

By: _____

Name: _____

Title: _____

OPTION HOLDER:

ION MEDIA NETWORKS, INC.

By:  _____

Name: Brandon Burgess

Title: CEO

Schedule 2.2

Cash Purchase Price

1. The “***Cash Purchase Price***” shall be an amount equal to One Hundred Twenty Thousand Dollars (\$120,000).

Schedule 3.1(d)

FCC Licenses and Permits

<u>Call Sign</u>	<u>Licensee or Permittee</u>	<u>Class of Station</u>	<u>Channel</u>	<u>Expiration Date</u>
KTRV-TV Nampa, ID (Facility ID 28230)	Idaho Independent Television, Inc.	Digital TV BLCDT-20050516ATS BRC DT-20140602ASY	13	October 1, 2022
KC26378	Idaho Independent Television, Inc.	TV Pickup		October 1, 2022
KQ6597	Idaho Independent Television, Inc.	TV Pickup		October 1, 2022
WGZ674	Idaho Independent Television, Inc.	TV STL		October 1, 2022
WQDV864	Idaho Independent Television, Inc.	Microwave Industrial/Business Pool License		November 10, 2025
E000474	Idaho Independent Television, Inc.	Receive-only Fixed Earth Station		July 28, 2025

State of Idaho Business License (ID # C77661)