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**ASSET PURCHASE AGREEMENT**  
**(Non-FCC Assets)**

**Dated as of October 14, 2013**

**between**

**CMCG Portland LLC**

**and**

**Sinclair Television Group, Inc.**

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**ASSET PURCHASE AGREEMENT**  
(Non-FCC Assets)

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of October 14, 2013, by and between (i) CMCG Portland LLC, a Virginia limited liability company ("Seller"), and (ii) Sinclair Television Group, Inc., a Maryland corporation ("Buyer").

**RECITALS**

WHEREAS, Seller is the owner of the assets (other than the FCC Licenses) used in the operation of broadcast television station, WPFO-TV, Portland, Maine ( the "Station") pursuant to licenses issued by the Federal Communications Commission (the "FCC");

WHEREAS, the FCC Licenses are held by CMCG Portland License LLC, a Virginia limited liability company (the "FCC Licensee");

WHEREAS, Seller, FCC Licensee, CMCG and MMP have entered into a Local Marketing Agreement dated April 4, 2003 as renewed by Renewal of Local Marketing Agreement dated as of January 29, 2013 (the "Seller LMA");

WHEREAS, Buyer desires to purchase substantially all of the assets and assume certain of the liabilities, and Seller desires to sell to Buyer substantially all of the assets (other than the FCC Assets (as defined below)) and transfer certain of the liabilities, related to, used or held for use in the conduct of the Station on the terms and subject to the conditions hereinafter set forth;

WHEREAS, simultaneously with the execution and delivery of this Agreement, Seller, FCC Licensee and FCC Buyer are entering into that certain Asset Purchase Agreement (the "FCC Assets Agreement"), pursuant to which Seller, FCC Licensee agrees to sell, and FCC Buyer agrees to purchase, the FCC Assets (such transaction, the "FCC Transaction");

WHEREAS, at the Closing, Seller will assign and transfer to Buyer, and Buyer will purchase and assume, the Purchased Assets and the Assumed Liabilities;

WHEREAS, at the Closing, the Seller LMA will be terminated by the parties to the Seller LMA; and

WHEREAS, Seller and Buyer are, at the Closing, entering into the Joint Sales Agreement (as defined below) and the Shared Services Agreement (as defined below).

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.

“Accounts Receivable” means all accounts receivable (other than accounts receivable relating to Tradeout Agreements or film and program barter agreements), and all other rights to receive payments, arising out of sales occurring in the conduct or operation of the Station or the Business prior to the Effective Time for services performed (e.g., the actual broadcast of commercials sold) or delivered by the Business prior to the Effective Time and all rights to receive payments under any retransmission agreements, affiliation agreements, notes, bonds and other evidences of Indebtedness or amounts due for reimbursement from Employees or former Employees.

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

“Affiliate” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such other Person.

“Ancillary Agreements” means the Joint Sales Agreement, Shared Services 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.

“ASCAP” means the American Society of Composers, Authors and Publishers.

“Balance Sheet Date” means December 31, 2012.

“Bargaining Agreement” means the collective bargaining agreements set forth on Disclosure Schedule Section 3.14(b).

“BMI” means Broadcast Music Incorporated.

“Business” means the conduct and operation of 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 (plus interest, if any, accruing on such amount at the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) from such date until the Effective Time).

“CMCG” means Corporate Media Consultants Group LLC, a Virginia limited liability company and 100% owner of Seller.

“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 and regulations promulgated under the foregoing, in each case, as in effect from time to time.

“Confidentiality Agreement” means letter agreement dated as of July 16, 2013 among Seller, CMCG and Buyer.

“Contracts” means contracts, agreements, leases, non-governmental licenses, sales and purchase orders and other agreements, written or oral (including Leases, Real Property Leases and employment agreements and, 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 owned by Seller or that are used by Seller in the operation of 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, arrangement or policy subject to ERISA, including any retirement, pension, deferred compensation, severance, profit sharing, savings, group health, dental, life insurance, disability or cafeteria plan, policy or arrangement; (b) any equity or equity-based compensation plan; (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, maintained or contributed to or required to be maintained or contributed to by Seller for the benefit of any current Employee or former Employee who was directly engaged, exclusively, in the Business.

“Employees” means (a) the full-time, part-time and per diem employees employed by MMP or Seller engaged in the Business, it being understood that any employee of MMP whose principal work location is at MBG’s corporate headquarters in Virginia Beach, Virginia or 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 Seller and located at or used or held for use 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.

“Estimated Adjustment” means, with respect to the Estimated Settlement Statement, an amount equal to the Buyer Prorated Amount minus the Seller Prorated Amount, which amount shall be expressed as a positive or negative number.

“FCC Assumed Liabilities” means the liabilities assumed by FCC Buyer pursuant to the FCC Assets Agreement.

“FCC Buyer” means, the buyer or buyer(s) pursuant to the FCC Assets Agreement.

“FCC Buyer Indemnified Parties” means the “Buyer Indemnified Parties” as defined in the FCC Assets Agreement.

“FCC Excluded Assets” means the assets retained by the Seller and the FCC Licensee and not transferred to FCC Buyer pursuant to the FCC Assets Agreement.

“FCC Excluded Liabilities” means the liabilities retained by the Seller and the FCC Licensee and not assumed by FCC Buyer pursuant to the FCC Assets Agreement.

“FCC Licenses” means the FCC licenses, permits and other authorizations issued by the FCC to the FCC Licensee for use in the operation of the Station, each of which is identified on Disclosure Schedule Section 3.12(a)(1), and any other license, permit or other authorization, including any temporary waiver or special temporary authorization and any renewals thereof or any transferable pending application therefor.

“FCC Seller” means, the seller or seller(s) pursuant to the FCC Assets Agreement.

“FCC Seller Indemnified Parties” means the “Seller Indemnified Parties” as defined in the FCC Assets Agreement.

“Final Adjustment” means, with respect to the Final Settlement Statement, an amount equal to the Buyer Prorated Amount minus the Seller Prorated Amount, which amount shall be expressed as a positive or negative number.

“GAAP” means United States generally accepted accounting principles as in effect on the Balance Sheet Date, consistently applied, without taking into account the following: (i) the effects of any troubled debt restructurings pursuant to ASC 470-60, (ii) the effects of any modifications or extinguishments pursuant to ASC 470-50, (iii) any impairment of long-lived assets pursuant to ASC 360-10 and (iv) any impairment of goodwill and other intangible assets pursuant to ASC 350.

“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.

“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, (i) in respect of borrowed money or evidenced by bonds, monies, debentures, or similar instruments or upon which interest payments are normally made, (ii) for the payment of any deferred purchase price of any property, assets or services (including pursuant to capital leases) but excluding trade payables, (iii) guaranties, direct or indirect, in any manner, of all or any part of any Indebtedness of any Person, (iv) all obligations under acceptance, standby letters of credit or similar facilities, (v) 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 any warrants, rights or options to acquire such membership interests, shares or such other ownership or profit interest, (vi) all accrued interest of all obligations referred to in (i) – (v) and (vii) all obligations referred to in (i) – (vi) of a third party secured by any Lien on property or assets.

“Intangible Property” means all of Seller’s rights in any (a) Copyrights; (b) Trademarks; (c) Trade Secrets; (d) all domain names used and owned by Seller and that are material to the operation of the Business; and (e) all goodwill, if any, associated therewith, other than, in each case, any Intangible Property not used in connection with and material to the operation of the Station.

“Joint Sales Agreement” means the joint sales agreement between Seller and Buyer in the form attached as *Exhibit A*.

“Knowledge of Seller” means the actual knowledge of the president, chief financial officer, and chief operating officer of MMP, MBG, FCC Licensee and Seller (or people holding a similar position), as well as the general manager, business manager and chief engineer (or person holding a similar position, but not including any contract employee or consultant) of the Station.

“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 used in the operation of the Business (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 where Seller 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 the Portland – Auburn, ME, Designated Market Area (as defined by The Nielsen Company).

“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, 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 programming services generally or the television broadcast industry generally (including legislative or regulatory matters), (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 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) any action taken by Seller as expressly contemplated by this Agreement or with Buyer’s written consent or at Buyer’s written request, (vii) 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), (viii) changes in Law or GAAP or the interpretation thereof, or (ix) the ratings or performance of any network with which the Station is affiliated, in each case shall not constitute a Material Adverse Effect.

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

“MBG” means Max Broadcast Group LLC, a Virginia limited liability company.

“MMP” means Max Media of Portland LLC, a Virginia limited liability company and wholly owned Subsidiary of MBG.

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

“Other Seller Stations” means any broadcast station or business unit of MBG.

“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 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 impair the continued use of the property in the ordinary course of the business of the Business; (g) inchoate materialmen’s, 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 Financial Statements to the extent required by GAAP; and (k) Liens shown on Disclosure Schedule Section 1.01(a).

“Person” means any natural person, general or limited 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) beginning and ending after the Effective Time.

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

“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.

“Real Property” means the real property owned, leased, subleased or licensed by or to Seller and used or held for use by the Station, together with all right, title and interest of Seller in all buildings, towers, improvements, fixtures and structures located thereon.

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

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

“SESAC” means the Society of European Stage Authors & Composers.

“Shared Services Agreement” means the shared services agreement between Seller and Buyer in the form attached as *Exhibit B*.

“Straddle Tax Period” means any Tax period (or portion thereof) beginning before the Effective Time and ending after the Effective Time.

“Subsidiary” when used with respect to any party, means any corporation, limited liability company, 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 all federal, state, local or foreign income, excise, gross receipts, ad valorem, sales, employment, franchise, profits, gains, property, transfer, use, payroll, intangible or other taxes, 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.

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

“Tower Leases” means any agreement to which Seller is a party pertaining to the use and/or installation of radio masts, antennas and/or towers used by the Station for telecommunications and broadcasting in connection with the operation of the Business, where Seller holds an interest as tenant or subtenant.

“Trade Secrets” means all proprietary information of Seller that is not generally known and is material to and 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 or used by Seller and that are used 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 Seller has agreed to sell or trade commercial airtime 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:

Active Employees	8.01(a)
Agreement	Preamble
Assumed Contracts	2.01(c)
Assumed Liabilities	2.03
Business Annual Financial Statements	3.08(a)
Business Financial Statements	3.08(a)
Business Unaudited Interim Financial Statements	3.08(a)
Buyer	Preamble
Buyer FSA Plan	8.07
Buyer Indemnified Parties	12.03(a)
Buyer Prorated Amount	2.09(a)
Buyer Warranty Breach	12.02(a)(i)
Buyer’s 401(k) Plan	8.02
Cap	12.02(b)
Closing	2.08
Closing Date	2.08
Collection Period	6.02(a)
Covered Matter	13.10(a)
Damaged Asset	5.04
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Escrow Agent	0(b)
Estimated Settlement Statement	2.09(e)
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Excluded Contracts	2.02(k)
Excluded Liabilities	2.04
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FCC Assets	2.02(t)
FCC Assets Agreement	Recitals
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Transferred Employees	8.01(a)
WARN Act	8.09

**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.** Pursuant to the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Buyer at the Closing, free of all Liens other than Permitted Liens, all of Seller's right, title and interest in, to and under all of its assets, other than the Excluded Assets, in each case as and to the extent located at or used or held for use with respect to the Business, including the following assets, Contracts, and properties (tangible or intangible), as the same shall exist on the date of this Agreement and not disposed of in accordance with Section 5.01, and all similar assets of the Business acquired by Seller between the date hereof and the Closing and located at or used or held for use with respect to the Station, as follows (the "Purchased Assets"):

- (a) all Leases, Real Property Leases and the Tower Leases;
- (b) all Equipment;
- (c) all rights under all Contracts to which Seller is a party that (i) are listed or referenced on Disclosure Schedule Section 3.05(a) or Disclosure Schedule Section 3.13(a), (ii) are not required by the terms thereof to be listed on Disclosure Schedule Section 3.05(a) but are used and material to the operation of the Business, (iii) may result from the television broadcast industry-wide negotiations with SESAC, ASCAP and BMI, (iv) are referenced in other subsections to this Section 2.01 or the corresponding Section in the Disclosure Schedules, or (v) are entered into after the date hereof by Seller pursuant to the terms and subject to the conditions of Section 5.01 (collectively, the "Assumed Contracts"), provided, however, that Assumed Contracts shall in no event include Excluded Contracts;
- (d) [reserved];
- (e) all of Seller's rights, claims, credits, causes of action or rights of set-off against third parties relating to the Purchased Assets, including unliquidated rights under manufacturers' and vendors' warranties, in each case only to the extent Buyer incurs Losses relating thereto and occurring after the Effective Time;
- (f) all Intangible Property;
- (g) all Internet web sites and related agreements, content and databases and domain name registrations, used in the operation of the Business, including those set forth on Disclosure Schedule Section 2.01(g);
- (h) all prepayments under advertising sales contracts for committed air time for advertising on the Station that has not been aired prior to the Closing Date;
- (i) all information and data, sales and business records, books of account, files, invoices, inventory records, general, financial, accounting and real and personal property and sales and use Tax records (but excluding all other Tax records), copies of personnel and employment records for Transferred Employees (to the extent permitted by Law) and all engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present and former suppliers and lists of present and former customers,

quality control records and manuals, blueprints, litigation and regulatory files, and all other books, documents and records;

(j) all of Seller's rights in any management and other systems (including computers and peripheral equipment), databases, computer software (computer disks and similar assets), and all licenses and rights in relation thereto, in each case, that are used in the operation of the Business; and

(k) all other items listed on Disclosure Schedule Section 2.01(k).

**Section 2.02.** Excluded Assets. Buyer expressly understands and agrees that the following assets and properties of Seller (the "Excluded Assets") shall not be acquired by Buyer and are excluded from the Purchased Assets:

(a) all of Seller's Cash and Cash Equivalents;

(b) all bank and other depository accounts of Seller;

(c) other than the Assumed Contracts, insurance policies relating to the Station and the Business, and all claims, credits, causes of action or rights, including rights to insurance proceeds, thereunder;

(d) all interest in and to refunds of Taxes relating to Pre-Closing Tax Periods or the other Excluded Assets;

(e) any cause of action or claim relating to any event or occurrence with respect to the Business prior to the Effective Time other than as specified in Section 2.01(e);

(f) all Accounts Receivable;

(g) intercompany accounts receivable and intercompany accounts payable of Seller and their Affiliates;

(h) (i) each of Seller's charter or other governance documents, minute books and all books and records relating to the organization, existence or ownership of Seller, (ii) all records, documents, plans and financial records related to the transactions contemplated by this Agreement, (iii) duplicate copies of all such materials relating to the Business, (iv) all records relating to other Excluded Assets or the Other Seller Stations, (v) all personnel files for employees of Seller who are not Employees and (vi) all files, documents, records, Tax Returns (other than real and personal property and sales and use Tax Returns), books of account and other materials not relating primarily to the Purchased Assets or the operation of the Business;

(i) all rights of Seller arising under this Agreement (including, without limitation, the right to receive the Purchase Price), the Ancillary Agreements or the transactions contemplated hereby and thereby;

(j) any Purchased Asset sold or otherwise disposed of prior to Closing as permitted hereunder;

(k) Contracts that are not Assumed Contracts, including any Contract that is an FCC Asset (collectively, the “Excluded Contracts”);

(l) other than the Assumed Contracts and as specifically set forth in Article VIII, any Employee Plan and any assets of any Employee Plan sponsored by Seller or any of its Affiliates;

(m) all Tax records, other than real and personal property and sales and use Tax records;

(n) all of Seller’s rights, title and interest in and to (i) Seller’s name, service names and trade names (including, without limitation, the name “Max Media”), (ii) the corporate, limited liability company and trade names listed on Disclosure Schedule Section 2.02(n), (iii) all URLs and internet domain names consisting of or containing any of the foregoing; and (iv) any variations or derivations of, or marks confusingly similar to, any of the foregoing;

(o) all real and personal, tangible and intangible assets of Seller and its Affiliates that are used in connection with the operation of the Business but are neither located at nor used or held for use with respect to the Station and are listed or described on Disclosure Schedule Section 2.02(o);

(p) any rights under any non-transferable shrink-wrapped or click-wrapped licenses of computer software and any other non-transferable licenses of computer software that are not material to the Business;

(q) any assets located at or used or held for use with respect to the Station listed on Disclosure Schedule Section 2.02(q);

(r) all membership interests, capital stock or other equity securities of Seller, Subsidiaries of Seller or its Affiliates and all other equity interests in any entity that are owned beneficially or of record by Seller or its Affiliates;

(s) all Contracts listed on Disclosure Schedule Section 2.02(s);

(t) the FCC Licenses, the Station’s call letters, the Station’s music licenses, and the Program Rights agreements, and those assets listed on Disclosure Schedule Section 2.02(t) (collectively, the “FCC Assets”); and

(u) all prepaid expenses, deposits, ad valorem Taxes, leases and rentals.

**Section 2.03.** Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Buyer agrees, effective at the Effective Time, to assume, pay, discharge, perform or otherwise satisfy only the following liabilities of Seller (the “Assumed Liabilities”):

(a) the liabilities and obligations arising with respect to the operation of the Business, including the Purchased Assets, on and after the Effective Time (excluding any

liability or obligation arising from, or relating to the performance or non-performance thereof, prior to the Effective Time);

(b) any liability or obligation to the extent of the amount of credit received by Buyer under Section 2.09(a);

(c) all liabilities and obligations relating to the Business or the Purchased Assets arising out of Environmental Laws, whether or not presently existing, except for liabilities and obligations that are required to be disclosed on Disclosure Schedule Section 3.16, but which are not so disclosed;

(d) any Tax liability or obligation (except for any Income Taxes of Seller or as expressly provided in Section 2.09(b) or Section 9.02) related to Post-Closing Tax Periods and the portion of any Straddle Tax Period arising or accruing on or after the Effective Time;

(e) all liabilities with respect to Transferred Employees, Bargaining Agreements and Employee Plans expressly assumed under Article VIII; and

(f) all liabilities described on Disclosure Schedule 2.03(f).

**Section 2.04. Excluded Liabilities.** Notwithstanding any provision in this Agreement, Buyer is assuming only the Assumed Liabilities and is not assuming any other liability or obligation of Seller or any of its Affiliates of whatever nature, whether presently in existence or arising hereafter. All such other liabilities and obligations shall be retained by and remain obligations and liabilities of Seller (all such liabilities and obligations not being assumed being herein referred to as the “Excluded Liabilities”), and, notwithstanding anything to the contrary in Section 2.03, none of the following shall be Assumed Liabilities for the purposes of this Agreement:

(a) any liability or obligation under or with respect to any Assumed Contract, Permit, Governmental Order, Real Property Lease or Lease required by the terms thereof to be discharged prior to the Effective Time and/or as set forth on Disclosure Schedule Section 2.04(a);

(b) any liability or obligation for which Seller 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;

(c) the liability related to the Indebtedness of Seller and its Affiliates, including without limitation as set forth on Disclosure Schedule Section 2.04(c);

(d) any liability or obligation relating to or arising out of any of the Excluded Assets or any Employee Plan (other than an Employee Plan included as a Purchased Asset pursuant to Section 2.01(c));

(e) any Tax liability or obligation (except as expressly provided in Section 2.09(b) or Section 9.02) related to Pre-Closing Tax Periods and the portion of any Straddle Tax Period arising or accruing before the Effective Time;

(f) any liability to indemnify, reimburse or advance amounts to any officer, director, employee or agent of Seller or any direct or indirect Subsidiary thereof, other than any liability to any Transferred Employee incurred on or after the applicable Employment Commencement Date, except as set forth in Sections 8.04 and 8.05;

(g) the liabilities and obligations arising with respect to the operation of the Business, including the Purchased Assets, prior to the Effective Time (excluding any liability or obligation expressly assumed by Buyer hereunder), including without limitation, any liability relating to the matter disclosed on Disclosure Schedule Section 2.04(g);

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

(i) any liability or obligation relating to or arising out of any stay-bonus, severance payments or similar payments made or owed to any Employee prior to Closing or related to or arising out of the transactions contemplated hereby or by the FCC Assets Agreement; and

(j) any liabilities relating to the FCC Assets.

**Section 2.05.** Assignment of Contracts and Rights. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Purchased Asset or in any way adversely affect the rights of Buyer or Seller thereunder. Seller and Buyer shall use their commercially reasonable efforts to obtain such consents after the execution of this Agreement until each such consent is obtained. If any such consent is not obtained prior to the Closing Date, Seller and Buyer shall use their commercially reasonable efforts to obtain such consent as soon as possible after the Closing Date. In addition, Seller and Buyer will cooperate in a mutually agreeable arrangement under which Buyer would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including sub-contracting, sub-licensing, occupancy and/or use agreements or sub-leasing to Buyer and enforcement by Seller for the benefit of Buyer of any and all rights of Seller against a third party thereto. Notwithstanding the foregoing, Seller, Buyer and any of their Affiliates shall not be required to pay consideration to any third party to obtain any consent.

**Section 2.06.** Purchase Price. Subject to Sections 2.08, in consideration for the sale of the Purchased Assets, Buyer shall, at the Closing, in addition to assuming the Assumed Liabilities, pay to Seller the sum of Thirteen Million Six Hundred Thousand Dollars (\$13,600,000) (the "Purchase Price") by wire transfer of immediately available federal funds pursuant to wire instructions that Seller shall provide to Buyer (other than the Indemnity Escrow Deposit which shall be deposited as the Indemnity Escrow Deposit pursuant to Section 2.07(a)).

**Section 2.07.** Indemnity Escrow Deposit.

(a) On the Closing Date, Buyer shall deposit in escrow with the Wells Fargo Bank, N. A. ("Escrow Agent") in cash an amount equal to One Million Three Hundred Sixty Thousand Dollars (\$1,360,000) (the "Indemnity Escrow Deposit") and the amount paid to Seller pursuant to Section 2.06 shall be reduced by the amount of the Indemnity Escrow Deposit. The Indemnity Escrow Deposit shall be held by the Escrow Agent in an escrow fund (the "Indemnity Escrow Fund") pursuant to the terms of this Agreement and the Indemnity Escrow Agreement in substantially the form attached hereto as *Exhibit C* (the "Indemnity Escrow Agreement") for a period of twelve (12) months following the closing date of the FCC Transaction (the "FCC Assets Closing Date"), except to the extent earlier released to Seller as provided herein or to the Buyer Indemnified Parties to satisfy any indemnity obligations of Seller to the Buyer Indemnified Parties under this Agreement and the FCC Buyer Indemnified Parties under the FCC Assets Agreement. Notwithstanding the foregoing, the Indemnity Escrow Agreement shall provide that (i) on and as of the date that is six (6) months following the FCC Assets Closing Date, the Escrow Agent shall release to Seller from the Indemnity Escrow Fund an amount equal to Six Hundred Eighty Thousand Dollars (\$680,000) less the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement and the FCC Buyer Indemnified Parties under the FCC Assets Agreement outstanding and unpaid as of such date and (ii) on and as of the date that is twelve (12) months following the FCC Assets Closing Date, the Escrow Agent shall release to Seller from the Indemnity Escrow Fund an amount equal to the amount of funds then held by the Escrow Agent in the Indemnity Escrow Fund (together with interest earned thereon) less the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement and the FCC Buyer Indemnified Parties under the FCC Assets Agreement, outstanding and unpaid as of such date, if any.

**Section 2.08. Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Thomas & Libowitz, 100 Light St Baltimore, MD 21202, within five (5) days after the date of the full satisfaction or waiver of all of the closing conditions set forth in Article X hereof (other than those required to be satisfied at the Closing), or on such other date or at such other location as is mutually agreeable to Buyer and Seller (such date, the "Closing Date"). Subject to the terms and conditions set forth in this Agreement, the parties hereto shall consummate the following transactions at the Closing:

- (a) 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 Purchase Price in accordance with Section 2.06 by wire transfer of immediately available federal funds;
  - (iv) [reserved]; and
  - (v) such other documents and instruments as Seller has determined to be reasonably necessary to sell the Purchased Assets and for the Buyer to assume the Assumed Liabilities.
- (b) Seller shall deliver, or cause to be delivered, to Buyer:

- (i) the certificate described in Section 10.03(a) from Seller;
- (ii) the documents described in Section 10.03(b) from Seller;
- (iii) a duly executed Bill of Sale, substantially in the form of *Exhibit D*, from Seller;
- (iv) a duly executed Assignment for the Intangible Property, substantially in the form of *Exhibit E*, from Seller, if any owned and registered Intangible Property is included in the Purchased Assets;
- (v) [reserved];
- (vi) [reserved]; and
- (vii) such other documents and instruments as Buyer has determined to be reasonably necessary for it to acquire the Purchased Assets and assume the Assumed Liabilities.

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

- (i) a duly executed Assignment and Assumption Agreement, substantially in the form of *Exhibit F*, from Seller;
- (ii) a duly executed Assignment and Assumption Agreement for the Leases and the Real Property Leases, substantially in the form of *Exhibit G*, from Seller, or, in the event that necessary consents to assignment have not been obtained prior to the Closing, appropriate subleases, occupancy or use agreements pursuant to Section 2.05 hereof; and
- (iii) [reserved] ;
- (iv) a duly executed Joint Sales Agreement, executed by Buyer and Seller; and
- (v) a duly executed Shared Services Agreement, executed by Buyer and Seller.

**Section 2.09. General Proration.**

(a) All Purchased Assets that would be classified as current assets in accordance with GAAP, and all Assumed Liabilities that would be classified as current liabilities in accordance with GAAP, shall be prorated between Buyer and Seller as of the Effective Time, including by taking into account the elapsed time or consumption of an asset during the month in which the Effective Time occurs (respectively, the “Prorated Purchased Assets” and the “Prorated Assumed Liabilities”). Such Prorated Purchased Assets and Prorated Assumed Liabilities relating to the period prior to the Effective Time shall be for the account of Seller and those relating to the period on and after the Effective Time for the account of Buyer and shall be prorated accordingly. In accordance with this Section 2.09, (i) Buyer shall be required to pay to

Seller the amount of any Prorated Purchased Asset, to the extent Buyer will receive a current benefit on and after the Effective Time, provided that such amount should not have been recognized as an expense in accordance with GAAP prior to the Effective Time (the "Buyer Prorated Amount"); and (ii) Seller shall be required to pay to Buyer the amount of any Prorated Assumed Liabilities to the extent they arise with respect to the operation of the Business prior to the Effective Time and are not assumed or paid for by Seller (the "Seller Prorated Amount"). Such payment by Buyer or Seller, as the case may be, shall be made within ten (10) Business Days after the Final Settlement Statement becomes final and binding upon the parties.

(b) Such prorations shall include all Property Taxes (as set forth in Section 2.09 (d)), FCC regulatory fees, utility expenses, liabilities and obligations under Contracts, rents and similar prepaid and deferred items, reimbursable expenses and all other expenses and obligations, such as deferred revenue and prepayments and sales commissions, attributable to the ownership and operation of the Station that straddle the period before and after the Effective Time. Notwithstanding anything in this Section 2.09 to the contrary, (i) except as set forth in this clause (b), with respect to Tradeout Agreements for the sale of time for goods or services assumed by Buyer, if at the Effective Time, the Station has an aggregate negative barter balance (i.e., the amount by which the value of air time to be provided by the Station the Effective Time exceeds the fair market value of corresponding goods and services to be received after such date), there shall be no proration or adjustment, unless the aggregate negative barter balance of the Station exceeds \$25,000, in which event such excess shall be treated as prepaid time sales of Seller, and adjusted for as a proration in Buyer's favor, and (ii) there shall be no proration under this Section 2.09 to the extent there is an aggregate positive barter balance with respect to Tradeout Agreements. There shall also be a proration in Buyer's favor to the extent that, and equal to, the amount by which the value of the commercial spots. There shall be no proration for bonus weight advertising owed to advertisers as of the Effective Time, if any, exceeds \$25,000. For purposes of this Section 2.09(b), commercial spots shall be valued at the Average Unit Rate realized by Seller in the applicable market for the twelve-month period ended as of the most recent full calendar month prior to the Closing Date. "Average Unit Rate" is calculated as (a) the total booked net revenue for commercial spots in a period divided by (b) the total number of commercial spots booked (including in such number bonus weight advertising spots granted in connection with such booked commercial spots) by third party advertising customers in such period.

(c) Accrued vacation and sick pay for Transferred Employees shall be included in the prorations, in each case as a credit to Buyer in respect of the Seller Prorated Amount.

(d) All state and local real and personal property Taxes and assessments ("Property Taxes") imposed by any Governmental Authority with respect to the Purchased Assets and the Business that are due and payable with respect to a Straddle Tax Period (taking into account whether such Property Taxes are payable in advance or in arrears) shall be apportioned between Seller and Buyer based on the number of days in the Pre-Closing Tax Period and the number of days in the Post-Closing Tax Period. In performing such apportionment, all Property Taxes shall be prorated on the assumption that an equal amount of Property Tax applies to each day of the Straddle Tax Period, regardless of how installment payments are billed or made. Seller shall be liable for all Property Taxes apportioned to the Pre-



Closing Tax Period. Buyer shall be liable for all Property Taxes apportioned to the Post-Closing Tax Period. After the Closing, Buyer will provide Seller with a copy of any final Property Tax bill covering a Straddle Tax Period.

(e) At least five (5) Business Days prior to the Closing Date, Seller shall provide Buyer with a good faith estimate of the prorations contemplated by this Section 2.09 (the "Estimated Settlement Statement"). Any payment required to be made by either party pursuant to such preliminary estimate shall be made by the appropriate party at the Closing in accordance therewith, absent manifest error. Seller will afford Buyer reasonable access to all records and work papers used in preparing the Estimated Settlement Statement, and Buyer shall notify Seller of any good faith disagreement with such calculation within two (2) Business Days after receiving the Estimated Settlement Statement. At the Closing, (i) Buyer shall be required to pay to Seller the amount equal to the Estimated Adjustment if the Estimated Adjustment is a positive number or (ii) Seller shall be required to pay to Buyer the amount equal to the Estimated Adjustment if the Estimated Adjustment is a negative number.

(f) Within seventy-five (75) days after the Closing Date, Buyer shall prepare and deliver to Seller a proposed proration of assets and liabilities in the manner described in this Section 2.09 (the "Settlement Statement") setting forth the Seller Prorated Amount and the Buyer Prorated Amount, together with a schedule setting forth, in reasonable detail, the components thereof.

(g) Seller shall provide reasonable access to such employees, books, records, financial statements, and its independent auditors as Buyer reasonably believes is necessary or desirable in connection with its preparation of the Settlement Statement.

(h) During the thirty (30)-day period following the receipt of the Settlement Statement, Seller and its independent auditors shall be permitted to review and make copies reasonably required of, (i) the financial statements relating to the Settlement Statement, (ii) the working papers relating to the Settlement Statement, (iii) the books and records relating to the Settlement Statement and, (iv) any supporting schedules, analyses and other documentation relating to the Settlement Statement.

(i) The Settlement Statement shall become final and binding (the "Final Settlement Statement") upon the parties on the 31<sup>st</sup> day following delivery thereof, unless Seller gives written notice of its disagreement with the Settlement Statement (the "Notice of Disagreement") to Buyer prior to such date. The Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted. If a Notice of Disagreement is given to Buyer in the period specified, then the Final Settlement Statement (as revised in accordance with clause (i) or (ii) below) shall become final and binding upon the parties on the earlier of (i) the date Buyer and Seller resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement and (ii) the date any disputed matters are finally resolved in writing by the Accounting Firm.

(j) Within ten (10) Business Days after the Final Settlement Statement becomes final and binding upon the parties, (i) Buyer shall be required to pay to Seller the amount, if any, by which the Final Adjustment is higher than the Estimated Adjustment or

(ii) Seller shall be required to pay to Buyer the amount, if any, by which the Estimated Adjustment is higher than the Final Adjustment, as the case may be. All payments made pursuant to this Section 2.09(j) must be made via wire transfer in immediately available funds to an account designated by the recipient party, together with interest thereon at the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) as in effect from time to time from the Effective Time to the date of actual payment.

(k) Notwithstanding the foregoing, in the event that Seller delivers a Notice of Disagreement, Seller or Buyer shall be required to make a payment of any undisputed amount to the other regardless of the resolution of the disputed items contained in the Notice of Disagreement. Seller or Buyer, as applicable, shall within ten (10) Business Days after the receipt of the Notice of Disagreement make payment to the other by wire transfer in immediately available funds of such undisputed amount owed by Seller or Buyer to the other, as the case may be, together with interest thereon, calculated as described above.

(l) During the thirty (30)-day period following the delivery of a Notice of Disagreement to Buyer that complies with the preceding paragraphs, Buyer and Seller shall seek in good faith to resolve in writing any differences they may have with respect to the matters specified in the Notice of Disagreement. 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 (w) the financial statements of the Business, in the case of Buyer, and Buyer, in the case of Seller, relating to the Notice of Disagreement, (x) the working papers of Seller, in the case of Buyer, and Buyer, in the case of Seller, and such other party's auditors, if any, relating to the Notice of Disagreement, (y) the books and records of Seller, in the case of Buyer, and Buyer, in the case of Seller, relating to the Notice of Disagreement, and (z) any supporting schedules, analyses and documentation relating to the Notice of Disagreement; 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 Notice of Disagreement.

(m) If, at the end of such thirty (30)-day period, Buyer and Seller have not resolved such differences, Buyer and Seller shall submit to the Accounting Firm for review and resolution any and all matters that remain in dispute and that were properly included in the Notice of Disagreement. Within thirty (30) days after selection of the Accounting Firm, Buyer and Seller shall submit their respective positions to the Accounting Firm, in writing, together with any other materials relied upon in support of their respective positions. Buyer and Seller shall use commercially reasonable efforts to cause the Accounting Firm to render a decision resolving the matters in dispute within thirty (30) days following the submission of such materials to the Accounting Firm. Buyer and Seller agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced. Except as specified in the following sentence, the cost of any arbitration (including the fees and expenses of the Accounting Firm) pursuant to this Section 2.09 shall be borne by Buyer and Seller in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportional allocations shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is

rendered on the matters submitted. The fees and expenses (if any) of Buyer's independent auditors and attorneys incurred in connection with the review of the Notice of Disagreement shall be borne by Buyer, and the fees and expenses (if any) of Seller's independent auditors and attorneys incurred in connection with their review of the Settlement Statement shall be borne by Seller.

**Section 2.10.**     Multi-Station Contracts. In the event that one or more Other Seller Stations is party to, or has rights or obligations with respect to, an Assumed Contract (a "Multi-Station Contract"), the rights and obligations under such Multi-Station Contract that are assigned to and assumed by Buyer (and included in the Purchased Assets and Assumed Liabilities, as the case may be) shall include only those rights and obligations under such Multi-Station Contract that are applicable to the Station. The rights of each Other Seller Station with respect to such Contract and the obligations of each Other Seller Station to such Contract shall not be assigned to and assumed by Buyer (and shall be Excluded Assets and Excluded Liabilities, as applicable). For purposes of determining the scope of the rights and obligations of the Multi-Station Contracts, 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 2.10(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.
- (e) 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 rights and 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 2.10 and Section 2.05; provided, that, completion of documentation of any such allocation under this Section 2.10 is not a condition to Closing unless such Multi-Station Contract is listed on and disclosed on Disclosure Schedule Section 10.03(c).

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller, CMCG, MMP and MBG, jointly and severally, represent and warrant to Buyer as follows:

**Section 3.01.**     Corporate Existence and Power. Seller is duly organized and validly existing under the laws of the state of its organization. Seller 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. Seller has the requisite power and authority to own and operate the Business as currently operated.

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

(a)     The execution and delivery by Seller of this Agreement and the Ancillary Agreements (to which 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, except as set forth on set forth on Disclosure Schedule Section 3.02(a), (i) have been duly authorized and approved by the board of managers of Seller and (ii) 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. Except as set forth on set forth on Disclosure Schedule Section 3.02(a), this Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Ancillary Agreement will constitute when executed and delivered by Seller (assuming due authorization, execution and delivery by the other parties thereto), 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 by Seller, of 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 such actions, filing or notifications required by the Communications Laws or 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 of 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 or any of the Purchased Assets; (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 right or obligation of such Person under, any provision of any Material Contract; or (d) result in the creation or imposition of any Lien (except for Permitted Liens) on any of the Purchased Assets.

**Section 3.05.     Contracts.**

(a)     Disclosure Schedule Section 3.05(a) sets forth all of the following Contracts (other than Contracts which are Excluded Assets) to which Seller is a party related to the Business as of the date hereof or to which Seller is a party that is used or held for use 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 involve 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), other than the FCC Assets Agreement;

(v)     any Contract involving construction, architecture, engineering or other agreements relating to uncompleted construction projects, in each case that involve payments in excess of \$40,000;

(vi)    any mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any Purchased Asset, 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 compensation to any Employee, or independent contractor or consultant engaged to perform services to the Business in excess of \$40,000 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 30 days’ notice without penalty or additional payment);

(ix) any Contract involving any labor agreement or Bargaining Agreement of Seller;

(x) any Contract that contains a covenant restricting the ability of Seller to compete in any business or with any Person or in any geographic area in which the Station operate (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 any direct or indirect Subsidiary of Seller, CMCG, MBG or MMP, or Affiliates thereof;

(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 Seller;

(xiv) any Contract pursuant to which any Indebtedness for borrowed money of Seller is outstanding or may be incurred or pursuant to which Seller has guaranteed any Indebtedness for borrowed money of any other Person (excluding trade payables arising in the ordinary course of business)(provided, however, that for purposes of this Section 3.05(a)(viii), the term Contract shall not include any Contract that will be paid off at or prior to Closing);

(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 Seller of more than \$40,000 per year that cannot be terminated within one hundred twenty (120) days after giving notice of termination without resulting in any material cost or penalty to Seller.

(b) Neither Seller nor, to the Knowledge of Seller, any other party to any Material Contract is in material breach or default under any such Material Contract. Except as set forth on Disclosure Schedule Section 3.05(b), Seller is not a party to any material oral Contract, and neither Seller nor, to the Knowledge of Seller, any other party to any oral material Contract is in material breach or default under any such oral material Contract.

(c) Each Material Contract is in full force and effect and constitutes a legal, valid and binding obligation of Seller 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 creditors' rights and remedies generally and general principles of equity).

**Section 3.06.     Intangible Property.**

All owned and registered Copyrights, Trademarks and domain names used in connection with the operation of 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), Seller has not received notice of any material claims, demands or proceedings pending by any third party challenging Seller's right to use any of the Intangible Property or that any Intangible Property conflicts with, infringes or otherwise violates the material intellectual property rights of third parties. Except as set forth on Disclosure Schedule Section 3.06(c), the Purchased Assets include all owned Intangible Property, including rights in and to call letters used in the operation of the Station and, to the Knowledge of Seller, no third party has infringed or is infringing on any of the Intangible Property. Seller has not 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 restricting the use thereof by Seller or has been adjudged invalid, unenforceable or unregistrable in whole or in part.

**Section 3.07.     Real Property.**

(a) Seller owns no Real Property. Disclosure Schedule Section 3.07(a)(i) includes a list of each Real Property Lease in effect as of the date of this Agreement. Seller 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)(ii), Seller (i) has not received notice of any material violation of material Law affecting the Real Property Leases or the Seller's use thereof, (ii) is not in material default under any Lease or Real Property Lease, (iii) within the past two (2) years, has not received notice of material default under or termination of any Leases or Real Property Leases and (iv) to the Knowledge of Seller there is no 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) Except as identified in Disclosure Schedule Section 3.07(a)(ii), within the past one (1) year, Seller has not 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 Real Property Leases and, to the Knowledge of Seller, there is no such plan or study with respect to which it has not received written notice.

(c) [Reserved].

(d) Disclosure Schedule Section 3.07(d) 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 Seller has an interest as a tenant, licensee, subtenant or sub-licensee (collectively, the "Real Property Leases").

**Section 3.08.     Financial Information.**

(a) The unaudited financial statements of Seller 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 Annual Financial Statements”), and the unaudited balance sheet of the Station as of July 31, 2013 and the related unaudited statement of operations for the seven months then ended (the “Business Unaudited Interim Financial Statements” and, together with the Business Annual Financial Statements, the “Business Financial Statements”), complete and correct copies of which are set forth in Disclosure Schedule Section 3.08(a), were prepared in accordance with the books and records of Seller 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), members’ equity (deficiency), and footnotes, for the periods covered by the Business Financial Statements and subject to normal year-end audit adjustments relating to the Business Unaudited Interim Financial Statements consistent with past practices. Any costs and expenses, or costs and expenses allocated to the Station, of corporate services performed for the Business by MMP or MBG are set forth on Disclosure Schedule Section 3.08(a).

(b) Except as set forth on Disclosure Schedule Section 3.08(b), Seller has no liabilities that relate to the Business or to which the Purchased Assets would be subject 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 liabilities (i) reflected or reserved against on the Business Financial Statements, (ii) incurred after the Balance Sheet Date in the ordinary course of business, (iii) that are Excluded Liabilities, (iv) liabilities to be performed after the date hereof pursuant to the Material Contracts or (v) as contemplated by 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, Seller has operated the Station in the ordinary course of business consistent with past practices.

(b) Since the Balance Sheet Date, 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 \$40,000;
- (iii) (x) the entry into (including renewals or amendments to existing 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 \$40,000, 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 \$40,000 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 of any Lien on any Purchased Asset other than Permitted Liens;

(vi) any (x) with respect to any Employee, establishment of any bonus, employment, severance, deferred compensation, retirement or other employee benefit plan (or any amendment to any such existing agreement), (y) grant of any severance or termination pay to any Employee, or (z) increase or change to the rate or nature of the compensation (including wages, employee benefits, salaries and bonuses) payable to any Employee, except in each case, (A) as may be required by Law or existing Contracts or applicable collective bargaining agreements and (B) in the ordinary course of business consistent with past practices;

(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 of Seller, which Employees were not subject to a Bargaining Agreement at the Balance Sheet Date, or any lockouts, strikes, concerted work stoppages or slowdowns, or threats thereof by or with respect to any Employees of Seller;

(viii) any transfer, conveyance or termination of leasehold rights in the 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, the Station or the Business, 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 \$40,000.

**Section 3.11.** Compliance with Laws. Except as set forth in Disclosure Schedule Section 3.11, 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. Seller, the FCC Licensee or MMP 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, Seller is in material compliance with the terms of such Permits.

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

(a)     Disclosure Schedule Section 3.12(a)(1) contains a true and complete list of all FCC Licenses, including antenna structure registrations of towers, owned by Seller or the FCC Licensee. Seller or FCC Licensee 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 the FCC Licensee and are in full force and effect except as disclosed in Disclosure Schedule Section 3.12(a)(2). 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 Section 3.12(a)(2).

(b)     Except as set forth on Disclosure Schedule Section 3.12(b), neither Seller nor FCC Licensee, has any 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 Seller and the FCC Licensee have operated the Station in compliance with the Communications Laws and the FCC Licenses in all material respects, the FCC Licensee has timely filed all material registrations and reports required to have been filed with the FCC, and has paid or caused to be paid all FCC regulatory fees due in respect to the Station and have completed or caused to be completed the construction of all facilities or changes contemplated by any of the FCC Licenses or construction permits issued to 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 Schedule 3.12, none of Seller, the FCC Licensee or 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)     The FCC Licensee is qualified under the Communications Laws to assign the FCC Licenses to Buyer, or its designee, pursuant to the FCC Assets Agreement. 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 Applications (as defined in the FCC Assets Agreement). Except as set forth on Disclosure Schedule Section 3.12(d), Seller has no reason to believe that the FCC Applications might be challenged or might not be granted by the FCC in the ordinary course due to any fact or circumstance relating to Seller's operation of the Station, the FCC Licensee, Seller, or any of their 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 the Station as of the date of this Agreement. FCC Licensee has timely made retransmission consent elections and entered into retransmission consent agreements with respect to each MVPD in the Market. Since January 1, 2012, no such MVPD has provided written notice to Seller 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. Since January 1, 2012, Seller has not received any written notice of the intention of any headend with more than 1,500 subscribers covered by an MVPD in the Market to delete the Station from carriage or to change the Station's channel position. Except as set forth on Disclosure Schedule 3.13(a), as of the Closing, Seller has properly delivered effective non-duplication letters with respect to each applicable MVPD in the Market.

(b)     Disclosure Schedule Section 3.13(b) contains a list as of the date hereof of the MVPDs that, to the Knowledge of Seller, carry the Station outside the Market and the number of subscribers covered by such MVPD that are outside the 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)     The Station is not subject to or bound by any labor agreement or 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) Seller has 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 Seller in connection with the employment of its employees, except that would not reasonably be expected to result in a material liability; and (iv) Seller 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. With respect to Employee Plans that are applicable to any individual who is or has been employed by or provided services to the Station:

(a)     Disclosure Schedule Section 3.15(a) identifies each material Employee Plan immediately prior to the date of this Agreement.

(b) The Employee Plans are in compliance with all applicable requirements of ERISA, the Code, and other applicable laws and have been administered in accordance with their terms and such laws, disregarding for this purpose any failure to so comply or administer that does not: (i) have a Material Adverse Effect, or (ii) impose upon Buyer any carryover or other liability with respect thereto. Each Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination or opinion letter as to its qualification, and, to the Knowledge of Seller, nothing has occurred that could reasonably be expected to adversely affect such qualification.

(c) There is no Contract, plan or arrangement (written or otherwise) covering any employee or former employee of the Station that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code.

(d) Except as set forth in Disclosure Schedule Section 3.15(d), there is no pending or, to the Knowledge of Seller, threatened legal action, suit or claim relating to the Employee Plans (other than routine claims for benefits) that would reasonably be expected to have a Material Adverse Effect.

(e) No Employee Plan that is, or has ever been, maintained or contributed to (or required to be contributed to) by Seller, is: (i) a defined benefit pension plan within the meaning of Section 414(j) of the Code, or (ii) subject to Title IV of ERISA or to the minimum funding standard within the meaning of Section 412 of the Code or Section 302 of ERISA and Seller has no liability under any such plan.

(f) With respect to each material Employee Plan, Seller has provided or made available to Buyer true and complete copies of the following documents: (i) the most recent Employee Plan document and all amendments thereto; (ii) the most recent summary plan description; and (iii) with respect to any Employee Plan to which Section 401(a) of the Code is applicable, the most recent determination or opinion letter issued by the IRS.

(g) Except as set forth on Disclosure Schedule Section 3.15(g), the consummation of the transactions contemplated by this Agreement will not result in the acceleration of the vesting or timing of payment of any compensation or benefits payable under any Employee Plan to or in respect of any employee of Seller.

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

(a) no citation, written notice, request for information, order or complaint has been received by Seller, 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 the Real Property;

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

pursuant to such Environmental Laws except for such non-compliance that would not reasonably be expected to have a Material Adverse Effect;

(c) Seller is in compliance with Environmental Laws relating to the Business or to the Real Property in all material respects, including those relating to generation, storage, treatment, recycling, removal, cleanup, transport or disposal of Hazardous Materials except for such non-compliance that would not reasonably be expected to have a Material Adverse Effect;

(d) [reserved]; and

(e) to the Knowledge of Seller, (i) Seller does not utilize any underground storage tanks at the Real Property and (ii) there have been no Releases of Hazardous Materials at, from, to, on or under any of the Real Property that give rise to an affirmative reporting or cleanup obligation under Environmental Laws.

**Section 3.17. Equipment.** Disclosure Schedule Section 3.17(a) lists all material items of Equipment included in the Purchased Assets as of the date shown on Disclosure Schedule Section 3.17(a). Except as otherwise set forth in Disclosure Schedule Section 3.17(b), all such material items of Equipment, and all material items of Equipment included in the FCC Assets, 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. Seller owns or leases all Equipment included in the Purchased Assets and FCC Seller owns or leases all of Equipment included in the FCC Assets, both free and clear of all Liens, except Permitted Liens and except as set forth on Disclosure Schedule Section 3.17(c). No Person other than Seller, FCC Licensee or MMP has any rights to use any of the Equipment or other tangible personal property included in the Purchased Assets and the FCC Assets, whether by lease, sublease, license or other instrument, other than set forth on Disclosure Schedule Section 3.17(c).

**Section 3.18. Brokers.** 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 Affiliates or Subsidiaries.

**Section 3.19. Taxes.**

(a) With respect to Taxes, other than Income Taxes, relating primarily to the Purchased Assets or the Business, Seller has filed (or was included in), except as are disclosed on Disclosure Schedule Section 3.19(a), or will have filed on a timely basis all material Tax Returns in connection with any such material federal, state or local Tax required to be filed by it, all such Tax Returns are or will be, correct and complete in all material respects and prepared in substantial compliance with all applicable laws and regulations, and Seller has or will have timely paid all such Taxes due (whether or not shown thereon) except as contested upon audit by appropriate proceedings and which either (i) constitute Excluded Liabilities or (ii) are disclosed on Disclosure Schedule Section 3.19(a). None of the Purchased Assets 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 state or local Law, or any other U.S. federal, state or local Tax Law under which transferee liability might be imposed upon Buyer as a buyer of such Purchased Assets.

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

(c) There is no material action or proceeding or unresolved claim for assessment or collection, pending or threatened by any Governmental Authority for assessment or collection from Seller of any Taxes of any nature affecting the Purchased Assets or the Business.

(d) None of the Purchased Assets has been financed with, or directly or indirectly secures, any industrial revenue bonds or debt, the interest on which is tax exempt under Section 103(a) of the Code. None of the Purchased Assets consists of stock in a corporation. None of the Purchased Assets is tax-exempt use property within the meaning of Section 168(h) of the Code.

(e) To the Knowledge of Seller, there is no material dispute or claim concerning any Tax liability of Seller relating primarily to the Purchased Assets or the Business claimed or raised by any Governmental Authority in writing.

(f) Except as set forth on Disclosure Schedule Section 3.19(f), Seller is not currently is the beneficiary of any extension of time within which to file any material Tax Return relating primarily to the Purchased Assets or the Business.

(g) Seller has not waived any statute of limitations in respect of material Taxes relating primarily to the Purchased Assets or the Business or agreed to any extension of time with respect to a material Tax assessment or deficiency which extension is currently in effect relating primarily to the Purchased Assets or the Business and Seller is a disregarded entity for federal Income Tax purposes.

**Section 3.20.** Purchased Assets. Except as listed on Disclosure Schedule Section 2.02(o), the Purchased Assets, together with the FCC Assets, include all assets that are owned or leased by Seller and used or held for use in the operation of the Station in all material respects as currently operated.

#### **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 corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

**Section 4.02.** Corporate 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 organizational 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. 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, enforceable against Buyer 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.

**Section 4.04.** Noncontravention. The execution, delivery and performance of this Agreement by Buyer and each Ancillary Agreement to which 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 relating to Seller 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 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.** Brokers. 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 4.07.**     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 4.08.**     Projections and Other Information. Buyer acknowledges that, with respect to any projections, forecasts, business plans, budget information and similar documentation or information relating to Seller and the Business 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 transactions contemplated hereby. Notwithstanding anything herein to the contrary, nothing in this Section 4.08 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 4.09.**     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 4.09, 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.

## ARTICLE V COVENANTS OF SELLER

**Section 5.01.**     Operations Pending Closing. Except (i) as contemplated or required by this Agreement, (ii) as required by applicable Law or by a Governmental Authority of competent jurisdiction, or (iii) with the prior written consent of Buyer, which may be withheld in Buyer's sole discretion, from and after the date of this Agreement until the Closing, Seller shall:

(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;

(c)     not sell, lease, license or otherwise dispose of or encumber any assets of the Business except (i) pursuant to or in accordance with existing Contracts or commitments 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 with their respective customers, suppliers, licensors, licensees, distributors and others with whom Seller deals;

(e)     not make any change in any method of accounting or accounting practice utilized in the preparation of the Business Annual 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 increase the rate or nature of, or prepay, the 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 applicable Bargaining Agreements, or (C) as would not impose upon Buyer any carryover or other 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 any carryover or other 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 involve cash payments or cash receipts of \$40,000 or less; provided, however, that in no event may Seller enter into Program Rights agreements that in the aggregate involve cash payments or cash receipts of \$80,000 or more; 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 \$40,000 or less per year; provided, however, that in no event may Seller enter into such other agreements or commitments that in the aggregate involve cash payments or cash receipts of \$80,000 or more; 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 year of the anticipated date of Closing;

(i) (A) except as set forth on Disclosure Schedule Section 5.01(i), not enter into or agree or commit to enter into any new Tradeout Agreement relating to the Station 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;

(l) except as set forth on Disclosure Schedule Section 5.01(l), not make or agree or commit to make any capital expenditure;

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

(n) (i) not enter into any arrangement or Contract that survives the Closing with any Subsidiary or (ii) not enter into any arrangement or Contract with MMP or MBG or any of their Affiliates that survives the Closing that is other than an Excluded Contract or other than that gives rise to an Excluded Liability;

(o) except as set forth on Disclosure Schedule Section 5.01(o) or as set forth in Section 5.01(h) above, 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;

(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) timely make retransmission consent elections with all MVPDs located in or serving the Station's Market; and

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

**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 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 general manager, sales managers, business manager and chief engineer (or person holding a similar position) of the Station), and the offices, properties, books and records of the Station including prompt 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 in the Market (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 of 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 clause (i) shall be with Seller's prior written consent, which consent shall not be unreasonably withheld or delayed. 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 Agreement 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 two (2) years after the FCC Assets Closing Date, Seller, 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 afford promptly 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 any of its Affiliates.

(d) After Closing, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its Affiliates with respect to the Station or Seller, 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 may reasonably request.

**Section 5.03.** Title Commitments, Surveys. Seller shall deliver to Buyer, title commitments for lessee's and lender's title insurance policies on all Real Property that is leased pursuant to a Real Property Lease sufficient in form to allow Buyer to obtain, at Buyer's sole cost and expense, (a) a standard form of lessee's and lender's title insurance policies for all Real Property that is leased pursuant to a Real Property Lease (collectively the "Title Commitments"), and (b) an ALTA survey on each parcel of Real Property (the "Surveys"). Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments and Surveys. If the Title Commitments or Surveys reveal any Lien on the title other than Assumed Liabilities or Permitted Liens, Buyer shall notify Seller in writing of such objectionable matter as soon as Buyer becomes aware that such matter is not an Assumed Liability or Permitted Lien, and Seller agrees to use commercially reasonable efforts that are necessary to remove such objectionable matter as required pursuant to the terms of this Agreement. Seller agrees to use commercially reasonable efforts to deliver to Buyer, within sixty (60) days after the date of this Agreement, customary estoppel certificates reasonably acceptable to Buyer from lessors under the Real Property Leases.

**Section 5.04.** Risk of Loss. Seller shall bear the risk of casualty loss or damage to any of the Purchased Assets prior to the Effective Time, and Buyer shall bear such risk on and after the Effective Time, except as provided in Section 5.02(a). In the event of any casualty loss or damage to the Purchased Assets between the date of this Agreement and the Effective Time (other than loss or damage caused by Buyer or its representatives), Seller shall use commercially reasonable efforts to repair or replace (as appropriate under the circumstances) any lost or damaged Purchased Asset (the "Damaged Asset") unless such Damaged Asset was obsolete and unnecessary for the continued operation of the Station consistent with Seller's past practice and the FCC Licenses. If Seller is unable to repair or replace a Damaged Asset by the Effective Time, 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 to repair or replace the damaged or destroyed property after the Effective Time. The Disclosure Schedules shall be deemed modified to reflect any Damaged Asset for which Seller makes a payment or which is replaced by Seller pursuant to this Section 5.04. Prior to Closing, Seller shall take the actions set forth on Disclosure Schedule Section 3.19(a).

**Section 5.05.** No Negotiation. Until the later of (i) such time as this Agreement shall be terminated pursuant to Section 11.01 (ii) such time as the FCC Assets Agreement is terminated pursuant to terms thereof, Seller, and its managers, 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 Purchased Assets, the FCC Assets or the Station (other than in the ordinary course of business or as provided by this Agreement). Seller shall notify Buyer of any such inquiry or proposal within two (2) Business Days after 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, Seller, their 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 FCC Assets Closing Date, Seller will not, and Seller will cause its Subsidiaries and any successor entity formed by CMCG and/or MBG, or MBG's Subsidiaries or Affiliates (collectively with Seller, the "Seller Prohibited Entities") not to, directly or indirectly, acquire, own or operate a television station in the Market (other than pursuant to the Joint Sales Agreement and Shared Services Agreement), solicit to employ, or hire any Employee who is a Transferred Employee, unless Buyer first terminates the employment of such employee, such employee voluntarily terminates employment with Buyer without inducement by Seller or MMP 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.

## ARTICLE VI COVENANTS OF BUYER

**Section 6.01.**     Access to Information. As soon as practicable after the Closing Date, upon reasonable notice, Buyer will 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 had 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.**     Accounts Receivable.

(a)     Seller shall deliver to Buyer, promptly after the commencement of the Collection Period, a statement of the Accounts Receivable. Buyer shall use commercially reasonable efforts to collect the Accounts Receivable during the period (the "Collection Period") beginning on the Closing Date and ending on the 120th day thereafter, in the ordinary course of business; provided, however, that Buyer shall be under no obligation to commence or not to commence litigation or legal action to effect collection. Any payment received by Buyer during the Collection Period from a customer of the Station that was or is also a customer of Seller and that is obligated with respect to any Accounts Receivable shall be deposited by Buyer in the Seller Account on the date of receipt thereof (each such payment, a "Specified Payment" and, collectively, the "Specified Payments"). Any payments that are made directly to Seller during the Collection Period relating to the Accounts Receivable shall be retained by Seller. Buyer and its Affiliates shall not discount, adjust or otherwise compromise any Accounts Receivable and Buyer shall promptly refer any disputed Accounts Receivable to Seller.

(b)     Each Specified Payment received by Seller pursuant to Section 6.02(a) that is not specifically designated in writing as a payment of a particular invoice or invoices shall be presumptively applied by Seller to the Accounts Receivable for such customer outstanding for the longest amount of time, and the portion of each such Specified Payment, if any, that is attributable to accounts receivable that are not Accounts Receivable (each such portion, a "Remitted Payment" and, collectively, the "Remitted Payments"), shall be remitted by Seller to Buyer in accordance with Section 6.02(c); provided, however, that if, after the Closing Date, Seller or Buyer received or receives a written notice of dispute from a customer with respect to an Accounts Receivable that has not been resolved, then Seller shall apply any payments from such customer to such customer's oldest, non-disputed Accounts Receivable, whether or not an Accounts Receivable.

(c)     Seller shall deposit all Remitted Payments (without offset) into an account identified by Buyer in immediately available funds by wire transfer on or before the tenth (10th) Business Day following the receipt by Seller thereof pursuant to Section 6.02(b). Seller shall furnish Buyer with a list of the amounts collected during such calendar month and in any prior calendar months with respect to the Accounts Receivable and a schedule of the amount remaining outstanding under each particular account. Each of Seller and Buyer shall be entitled during the sixty (60)-day period following the Collection Period to inspect and/or audit the

records maintained by each other pursuant to this Section 6.02, upon reasonable advance notice and during normal business hours.

(d) Following the expiration of the Collection Period, neither Buyer nor Seller shall have any further obligations under this Section 6.02, except that Buyer shall promptly pay over to Seller any amounts subsequently paid to it with respect to any Accounts Receivable. Following the Collection Period, Seller may pursue collections of all the Accounts Receivable, and Buyer shall deliver to Seller all files, records, notes and any other materials relating to the Accounts Receivable and shall otherwise cooperate with Seller for the purpose of collecting any outstanding Accounts Receivable.

(e) Buyer acknowledges that Seller may maintain all established cash management lockbox arrangements in place at the Effective Time for remittance until such time as Seller deems appropriate to close such lockboxes. Buyer agrees to update the Accounts Receivable aging reports to reflect all Seller lockbox receipts, and Seller agrees to cooperate with Buyer to keep the Accounts Receivable age reports current. In addition, Seller shall, on or before the fifth (5th) Business Day following the end of the calendar month in which any of Buyer's receivables are received by Seller through its lockbox, remit to Buyer such receivable collections.

(f) If Seller or Buyer fails to timely remit any amounts collected pursuant to this Section 6.02, such amount shall bear interest at the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) as in effect from time to time from the date any such amount was due until the date of actual payment.

(g) All amounts received by Seller (other than amounts representing Remitted Payments) pursuant to this Section 6.02 shall not be required to be refunded or repaid by Seller for any circumstance.

**Section 6.03.** 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 6.03 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 6.03 pursuant to the terms of any agreements between Seller and its Affiliates, on the one hand, and the Station, on the other, shall terminate on the Closing Date.

**Section 6.04.** Insurance Policies. 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 Purchased Assets and Assumed Liabilities, for periods after the Closing.

## ARTICLE VII COVENANTS OF BUYER AND SELLER

**Section 7.01.** Confidentiality. Seller and Buyer (or an Affiliate of Buyer) are parties to the Confidentiality Agreement with respect to Seller and its stations. To the extent not

already a direct party thereto, Buyer hereby assumes 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 and its Affiliates 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 to Buyer) 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 7.02.**     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 7.03.**     Notices of Certain Events. From the date hereof until the earlier to occur of the FCC Assets 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 the Knowledge of Seller, 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, condition 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 7.04.**     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 (or CMCG or MBG or their 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 Purchased Assets 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 (or MBG and its Subsidiaries) shall desire to dispose of any of such books and records prior to the expiration of such three (3)-year period in accordance with the record retention policies of Seller then in effect, Seller (or MBG) 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 7.05.**     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.

**Section 7.06.**     Reserved

**Section 7.07.**     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 any 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, and the FCC Licensee shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station.

## ARTICLE VIII PENSION, EMPLOYEE AND UNION MATTERS

**Section 8.01.**     Employment.

(a) On or prior to the Closing Date, Buyer shall offer employment as of the Closing Date to each Employee employed immediately prior to such date who is listed on the list included as Disclosure Schedule Section 8.01(a) or who is hired after the date of such list with the prior, written consent of Buyer (such consent not to be unreasonably withheld or delayed)

and who is not on authorized or unauthorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights (“Active Employees”). Employees who are on authorized leave of absence, sick leave, short or long-term disability leave, military leave or layoff with recall rights (“Inactive Employees”) shall be offered employment by Buyer only if they return to active employment immediately following such absence within six months after the Closing Date, or such later date as required under applicable Law. For the purposes hereof, all Active Employees or Inactive Employees who accept Buyer’s offer of employment and commence employment on the applicable Employment Commencement Date are hereinafter referred to collectively as the “Transferred Employees”. The “Employment Commencement Date” as referred to herein shall mean (x) as to those Transferred Employees who are Active Employees hired pursuant to this Section 8.01, the Closing Date, and (y) those Transferred Employees who are Inactive Employees, the date on which the Transferred Employee begins employment with Buyer. Buyer shall employ at-will the Transferred Employees initially at a monetary compensation (consisting of base salary, and, as applicable, commission rate and normal bonus opportunity) at least as favorable as those provided by Seller immediately prior to the Employment Commencement Date. Buyer agrees so long as such Transferred Employees remain employed by Buyer, Buyer shall provide each Transferred Employee with compensation that, in the aggregate, is no less favorable than the compensation provided to the Transferred 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 Transferred Employee, to the extent such sales commissions and bonuses are based thereon; provided, further, that, except as set forth in Section 8.05, Buyer shall not be obligated to provide Transferred Employees credit for past time with respect to sick leave. Buyer agrees that Buyer shall provide severance benefits to the Transferred Employees on terms that are at least as favorable as those provided to similarly situated employees of Buyer. To the extent permitted by Law, Buyer shall give Transferred Employees full credit for purposes of eligibility waiting periods and vesting and benefit accrual (other than benefit accrual under a defined benefit pension plan) under the employee benefit plans or arrangements or severance practices maintained by the Buyer or its Affiliates in which such Transferred Employees participate for such Transferred Employees’ service with the Seller or its Affiliates or predecessors.

(b) [Reserved].

**Section 8.02.** Savings Plan. Buyer shall cause a tax-qualified defined contribution plan established or designated by Buyer (a “Buyer’s 401(k) Plan”) to accept rollover contributions from the Transferred 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 allow any such Transferred Employees’ outstanding plan loan to be rolled into Buyer’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’s 401(k) Plan shall credit Transferred 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.**     Employee Welfare Plans. In accordance with the terms of its Employee Plans, Seller shall retain responsibility for and continue to pay all medical, life insurance, disability and other welfare plan expenses and benefits for each Transferred Employee with respect to claims incurred under the terms of the Employee Plans by such Employees or their covered dependents while employed prior to the Employment Commencement Date. Expenses and benefits with respect to claims incurred by Transferred Employees or their covered dependents on or after the Employment Commencement Date shall be the responsibility of Buyer, subject to the terms and conditions of Buyer's welfare plans. With respect to any welfare benefit plans maintained by Buyer for the benefit of Transferred Employees on and after the Employment Commencement Date, to the extent permitted by applicable Law, Buyer shall (a) cause there to be waived any eligibility requirements or 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 Transferred Employees for the plan year in which the Closing occurs with respect to similar plans maintained by Seller.

**Section 8.04.**     Vacation. To the extent Buyer has received a credit in the prorations, Buyer will assume all liabilities for unpaid, accrued vacation of each Transferred Employee as of the Employment Commencement Date, giving credit under Buyer's vacation policy for service with Seller, and shall permit Transferred Employees to use their vacation entitlement accrued as of the Closing Date in accordance with Buyer's policy for carrying over unused vacation. To the extent that, following the Closing Date, Buyer's policies do not permit a Transferred Employee to use any accrued and unused vacation for which Buyer has assumed the liabilities hereunder (other than as a result of such Transferred Employee's failure to use such vacation despite his or her eligibility to do so, without adverse consequences, under Buyer's policies), Buyer will pay such Transferred Employee for any such vacation. Service with both Seller and Buyer shall be taken into account in determining Transferred Employees' vacation entitlement under Buyer's vacation policy after the Closing Date. Notwithstanding any provision in this Agreement to the contrary, no Transferred Employee shall be entitled to receive duplicate credit for the same period of service.

**Section 8.05.**     Sick Leave. To the extent Buyer has received a credit in the prorations, Buyer shall grant credit (up to the amount of such credit) for all unused sick leave accrued by Transferred Employees on the basis of their service during the current calendar year as employees of Seller in accordance with Buyer's policy on sick leave.

**Section 8.06.**     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 Transferred Employees and any current or former employees of Seller or the FCC Licensee) 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. Accordingly, notwithstanding anything to the contrary in this Section 8.06, this Agreement is not intended to create a Contract between Buyer, Seller and any of their respective Affiliates on the one hand and any Employee of Seller on the other hand, and no Employee of Seller may rely on this Agreement as the basis for any breach of contract claim against Buyer or Seller.

**Section 8.07.**     Flexible Spending Plan. As of the Employment Commencement Date, as applicable to each Transferred Employee (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 Transferred Employees, and Buyer shall be responsible for the obligations of the Seller FSA Plans to provide benefits to the Transferred 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 Transferred 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 Transferred Employee prior to the Transfer Date to the extent in excess of the payroll deductions made in respect of such Transferred Employee at or prior to the Transfer Date but only to the extent that such Transferred Employee continues to contribute to the Buyer FSA Plan the amount of such deficiency. This Section 8.07 shall be interpreted and administered in a manner consistent with Rev. Rul. 2002-32.

**Section 8.08.**     Payroll Matters.

(a)     Seller and Buyer shall follow the “standard procedures” for preparing and filing Internal Revenue Service Forms W-2 (Wage and Tax Statements), as described in Revenue Procedure 2004-53 for Transferred Employees. Under this procedure, (i) Seller shall provide all required Forms W-2 to (x) all Transferred Employees reflecting wages paid and Taxes withheld by Seller prior to the Employment Commencement Date, and (y) all other employees and former employees of Seller who are not Transferred Employees reflecting all wages paid and Taxes withheld by Seller, and (ii) Buyer (or one of its Affiliates) shall provide all required Forms W-2 to all Transferred Employees reflecting all wages paid and Taxes withheld by Buyer (or one of its Affiliates) on and after the Employment Commencement Date.

(b)     Seller and Buyer shall adopt the “alternative procedure” of Revenue Procedure 2004-53 for purposes of filing Internal Revenue Service Forms W-4 (Employee’s Withholding Allowance Certificate) and W-5 (Earned Income Credit Advance Payment Certificate). Under this procedure, Seller shall provide to Buyer all Internal Revenue Service Forms W-4 and W-5 on file with respect to each Transferred Employee and any written notices received from the Internal Revenue Service under Reg. § 31.3402(f)(2)-1(g)(5) of the Code, and Buyer will honor these forms until such time, if any, that such Transferred Employee submits a revised form.

(c)     With respect to garnishments, tax levies, child support orders, and wage assignments in effect with Seller on the Employment Commencement Date for Transferred Employees and with respect to which Seller has notified Buyer in writing, Buyer shall honor such payroll deduction authorizations with respect to Transferred Employees and will continue to make payroll deductions and payments to the authorized payee, as specified by a court or order which was filed with Seller on or before the Employment Commencement Date, to the extent such payroll deductions and payments are in compliance with applicable Law, and Seller will continue to make such payroll deductions and payments to authorized payees as required by Law

with respect to all other employees of the Business who are not Transferred Employees. Seller shall, as soon as practicable after the Employment Commencement Date, provide Buyer with such information in the possession of Seller as may be reasonably requested by Buyer and necessary for Buyer to make the payroll deductions and payments to the authorized payee as required by this Section 8.08(c).

**Section 8.09.** WARN Act. Buyer shall not take any action on or after the Closing Date that would cause any termination of employment of any employees by Seller 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. Assumed Liabilities assumed by Buyer pursuant to Section 2.03 shall include 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 with respect to any Employees who do not become Transferred Employees as a result of Buyer’s failure to extend offers of employment or continued employment as required by Section 8.01 or 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.

## **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 and Transfer Tax 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 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 are 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.** Taxes and Tax Returns. Subject to Section 2.09, Seller shall be liable for payment of and shall prepare and properly file on a timely basis true, complete and accurate Tax Returns and other documentation, for all Income Taxes incurred with respect to the Purchased Assets and the Business for any Pre-Closing Tax Period. Subject to Section 2.09, Buyer shall be liable for and payment of and shall prepare and properly file on a timely basis true, complete and accurate Tax Returns and other documentation for any and all Taxes incurred with respect to the Purchased Assets and the Business for any Post-Closing Tax Period.

**Section 9.06.** Purchase Price Allocation. All amounts constituting consideration within the meaning of and for the purposes of Section 1060 of the Code shall be allocated among the Purchased Assets and any other rights acquired by Buyer hereunder, as applicable, in the manner required by Section 1060 of the Code. Within one hundred eighty (180) days following the Closing Date, Buyer shall deliver to Seller a proposed allocation prepared in accordance with the foregoing, which allocation shall be based on the results of an appraisal of the Purchased Assets conducted by Buyer in good faith. Thereafter, to the extent that Seller disagrees with Buyer's proposed allocation, Buyer and Seller shall negotiate in good faith regarding the allocation of the Purchase Price in accordance with the requirements of Section 1060 of the Code and the Treasury Regulations promulgated thereunder. If the parties reach agreement with respect to such allocation, then each party agrees to complete and timely file IRS Form 8594 (or any successor form), to file all income Tax Returns in accordance with such allocation, and to take no action inconsistent with such allocation. If the parties are unable to reach agreement with respect to such allocation, then the parties shall have no further obligation under this Section 9.06 and each party shall make its own determination of such allocation.

## **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.

**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, 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 stand ready at Closing to make, the deliveries contemplated in Section 2.08(a) and Section 2.08(c) and each Ancillary Agreement.

**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 organization (or equivalent organizational document) for Seller, certified as of a recent date by the State Corporation Commission of the Commonwealth of Virginia;

(ii) a certificate of fact of the State Corporation Commission of the Commonwealth of Virginia of the existence of Seller as a limited liability company in the Commonwealth of Virginia and a certificate of the Secretary of State of each jurisdiction in which Seller is qualified to do business as to the good standing as of a recent date of such Seller in such jurisdiction;

(iii) a certificate of an officer of Seller, given by each such officer on behalf of such 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 listed on Disclosure Schedule Section 10.03(c).

(d) Seller shall have delivered to Buyer (i) pay-off letters or similar documents evidencing the discharge or payment in full of the Indebtedness of Seller duly executed by each lender of the Indebtedness of Seller and (ii) 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 Indebtedness of Seller and the Purchased Assets, together with proper authority to file such termination statements or other releases at and following the Closing.

(e) Buyer shall have received Title Commitments that comply with the requirements set forth in Section 5.03.

(f) Seller shall have provided Buyer proof of the termination of the Seller LMA effective as of the Effective Time.

(g) Seller shall have made, or stand ready at Closing to make, the deliveries contemplated in Section 2.08(b) and Section 2.08(c) and each Ancillary Agreement.

(h) The FCC Assets Agreement shall have been executed and shall be in effect.

## 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 one hundred eighty (180) days after 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 material 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 2.08 and (ii) the later of the date the Closing should have occurred pursuant to Section 2.08 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 material 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 2.08 and (ii) the later of the date the Closing should have occurred pursuant to Section 2.08 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.

**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 7.01, this Article XI, and Article XIII, which shall remain in full force and effect) and the FCC Asset Agreement shall forthwith become null and void, and no party hereto or thereto (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) below or in the FCC Asset Agreement. 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 sum of One Million Three Hundred Sixty Thousand Dollars (\$1,360,000) (the "Default Payment") as liquidated damages, and Buyer shall, within one (1) Business Day of delivery of notice of termination of this Agreement by Seller, pay the Default Payment to Seller by wire transfer of immediately available federal funds pursuant to wire instructions provided by Seller to Buyer. If this Agreement is terminated by Buyer pursuant to Section 11.01(d)(i) or Section 11.01(d)(ii), then Buyer shall be entitled to the Default Payment as liquidated damages, and Seller shall, within one (1) Business Day of delivery of notice of termination of this Agreement by Buyer, pay the Default Payment to Buyer by wire transfer of immediately available federal funds pursuant to wire instructions provided by Buyer to Seller. The party entitled to damages pursuant to this Section 11.02(b) (the "Terminating Party") shall, in addition, be entitled to prompt payment on demand from the other part of the reasonable attorneys' fees actually incurred by the Terminating Party 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), or the Buyer terminates this Agreement pursuant to Section 11.01(d)(i) or Section 11.01(d)(ii), the payment of the Default Payment, as the case may be, together with any attorneys' fees, pursuant to this Section 11.02(b), shall be the Terminating Party's sole and exclusive remedy for damages of any nature or kind that the Terminating Party may suffer as a result of the other party's breach or default under this Agreement or the other party's failure to consummate the transactions contemplated by this Agreement, which would result in the Terminating Party's right to terminate this Agreement under Section 11.01(c)(i), Section 11.01(c)(ii), Section 11.01(d)(i) or Section 11.01(d)(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.

## 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 FCC Assets Closing Date, provided, that the representations and warranties in the first sentence of Section 3.01, the first sentence of Section 4.01, and the representations and warranties in Section 3.02, Section 3.03 and Section 4.02 shall survive in perpetuity; provided further, that the representations and warranties in Section 3.15 (Employee Benefit Plans), Section 3.16 (Environmental Matters) and Section 3.19 (Taxes) shall survive Closing for the applicable statute of limitations plus sixty (60) days and the agreements to indemnify in Section 12.02 and Section 12.03 shall survive in perpetuity. 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) After the Closing and subject to Section 12.01, Buyer shall indemnify against and hold harmless Seller, and its Affiliates and their respective employees, officers, directors, managers, successors and assigns (collectively and with the FCC Seller Indemnified Parties, "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 and FCC Buyer's breach of any of its representation or warranties contained in the FCC Assets 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 and any breach or nonfulfillment of any agreement or covenant of FCC Buyer under the terms of the FCC Assets Agreement;

(iii) the Assumed Liabilities and the FCC Assumed Liabilities; or

(iv) 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 \$200,000 (the "Threshold") and then to the full amount of such Losses; provided, however, that the cumulative indemnification obligation of Buyer under this Section 12.02(b) and Section 12.02(b) of the FCC Assets Agreement shall in no event exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "Cap"), provided further, however, that the Threshold and Cap shall not apply in the case of any indemnification under clauses (ii), (iii) and (iv) of Section 12.02(a).

(c) Notwithstanding Section 12.02(b) above, on and as of the date that is six (6) months following the FCC Assets Closing Date, the Cap shall be reduced to an amount equal to (x) five percent (5%) of the sum of the Purchase Price under this Agreement and of the "Purchase Price" as defined in the FCC Assets Agreement plus (y) the amount of any claims by the Seller Indemnified Parties for indemnification under this Agreement or the FCC Assets Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement or the FCC Assets Agreement. On the date that is twelve (12) months following the FCC Assets Closing Date, the Cap shall be reduced to the amount of any claims by the Seller Indemnified Parties for indemnification under this Agreement or the FCC Assets Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement or the FCC Assets Agreement.

**Section 12.03. Indemnification by Seller.**

(a) After the Closing and subject to Section 12.01, Seller, CMCG, MBG and MMP shall jointly and severally indemnify against and hold harmless Buyer, its Affiliates and their respective employees, officers, directors, successors and assigns (collectively and with the FCC Buyer Indemnified Parties, 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 and FCC Seller's breach of any of its representation or warranties contained in the FCC Assets 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 or any breach or nonfulfillment of any agreement or covenant of FCC Seller under the terms of the FCC Assets Agreement;

(iii) the Excluded Liabilities and the FCC Excluded Liabilities (including 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 FCC Assets Closing Date) or, subject to Section 9.02, any failure to comply with laws relating to bulk sales;

(iv) [reserved];

(v) the Excluded Assets and the FCC Excluded Assets; and

(vi) the ownership, business or operation of the Station prior to the Effective Time.

(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 exceeds the Threshold and then to the full extent of such Losses; provided, however, that the cumulative indemnification obligation of Seller under this Section 12.03(b) shall in no event exceed the Cap; provided further, however, that the Threshold and Cap shall not apply in the case of any indemnification under clauses (ii), (iii), (iv), (v) and (vi) of Section 12.03(a).

(c) Notwithstanding Section 12.03(b) above, on and as of the date that is six (6) months following the FCC Assets Closing Date, the Cap shall be reduced to an amount equal to (x) five percent (5%) of the sum of (i) the Purchase Price under this Agreement and (ii) the "Purchase Price" as defined in the FCC Assets Agreement plus (y) the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement or the FCC Assets Agreement. On the date that is twelve (12) months following the FCC Assets Closing Date, the Cap shall be reduced to the amount of any claims by the Buyer Indemnified Parties for indemnification under this Agreement or the FCC Assets Agreement outstanding and unpaid as of such date, if any, pursuant to the terms and subject to the conditions set forth in this Agreement or the FCC Assets Agreement.

(d) Notwithstanding any other provision to the contrary, (i) in no event shall Seller be obligated to indemnify any Buyer Indemnified Party for any Losses arising out of or relating to any circumstance, event or series of events for which a FCC Buyer Indemnified Party has been indemnified pursuant to the FCC Assets Agreement and (ii), in no event shall Buyer be obligated to indemnify any Seller Indemnified Party for any Losses arising out of or relating to any circumstance, event or series of events for which a FCC Seller Indemnified Party has been indemnified pursuant to the FCC Assets Agreement.

#### **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 Party (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 use commercially reasonable 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 Party from the Indemnifying Party, accordingly, the Indemnified Party 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 commercially reasonable 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.

**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.

## 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 first Business Day after transmission, if sent by facsimile, or (c) one Business Day after having been dispatched via a nationally recognized overnight courier service for next Business Day delivery, 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:

CMCG Portland LLC  
900 Laskin Road  
Virginia Beach, VA 23451  
Attention: David J. Wilhelm  
Facsimile: (757) 437-0034

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

Williams Mullen  
222 Central Park Avenue, Suite 1700  
Virginia Beach, VA 23462  
Attention: Stephen W. Burke  
Facsimile: (757) 473-0395

**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, the FCC Assets 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.**

(a) 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 (a) Buyer may assign its rights hereunder to an Affiliate of Buyer or to a third party upon written notice to, but without consent of, Seller, provided that, (i) any such assignee delivers to Seller a written assumption of this Agreement, (ii) Buyer shall remain liable for all of its obligations hereunder, and (iii) Buyer shall be solely responsible for any third party consents necessary in connection therewith (none of which are a condition to Closing).

(b) If Buyer elects to engage in a like-kind exchange with respect to a portion of the Purchased Assets and treat such Purchased Assets as property received in a like-kind exchange pursuant to Section 1031 of the Code, Buyer shall notify Seller of such election in writing no later than five (5) days prior to the Closing, identifying those Purchased Assets that Buyer intends to qualify as part of a like-kind exchange, and Seller shall undertake all actions reasonably requested by Buyer in writing in connection with Buyer's like-kind exchange, including consenting to Buyer's transfer of its rights in this Agreement to a "qualified intermediary", as defined in Treasury Regulation Section 1.1031(k)-1(g)(4); provided, however, that such actions do not impose any liabilities, including any monetary obligations or costs, on Seller and do not release Seller or Buyer from its obligations under this Agreement and that Buyer shall promptly reimburse Seller for any third-party costs reasonably incurred in connection with such election, including as the result of any subsequent review of such election or any attendant tax consequences by any Governmental Authority.

**Section 13.07. No Recourse.** No past, present or future director, manager, officer, employee, incorporator, member, partner, equity-holder, 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, the FCC Licensee (only to the extent that any amendment or modification adversely effects the FCC Licensee’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 at 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.

(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.

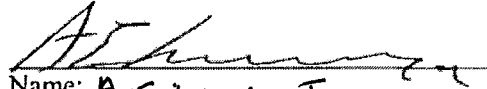
(b) If and to the extent any information required to be furnished in any section of the Disclosure Schedules is contained in the Agreement or in any section of the Disclosure Schedules, such information shall be deemed to be included in all sections of the Disclosure Schedules to the extent that the 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 Non-FCC Asset Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

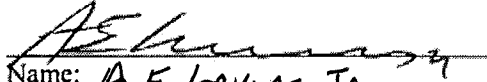
CMCG PORTLAND LLC



Name: A.E. Loving, Jr.  
Title: Vice President

FOR PURPOSES OF ARTICLE 3 AND ARTICLE  
12 ONLY:

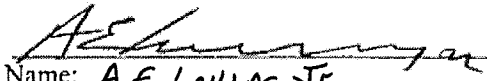
Max Broadcast Group LLC



Name: A.E. Loving, Jr.  
Title: CEO/secretary

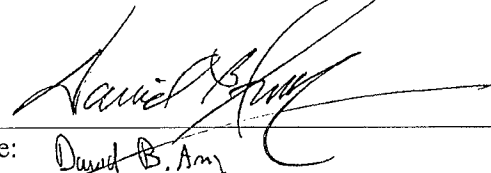
AND

Max Media of Portland LLC



Name: A.E. Loving, Jr.  
Title: Secretary

SINCLAIR TELEVISION GROUP, INC.

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

Name: David B. Amy  
Title: EVPR/CFO