

**EXECUTION COPY**

**ASSET PURCHASE AGREEMENT**

**By and Among**

**KEZI, INC. and**

**SODA MOUNTAIN BROADCASTING, INC.,**

**as Seller,**

**and**

**OREGON TV, LLC,**

**as Buyer**

**Dated: March 5, 2014**

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## **EXHIBITS**

### **Exhibits**

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## ASSET PURCHASE AGREEMENT

This **Asset Purchase Agreement** (this “**Agreement**”), dated as of **March 5, 2014**, is made and entered into by and among **KEZI, INC.**, an Oregon corporation (“**KEZI**”), **SODA MOUNTAIN BROADCASTING, INC.**, an Oregon corporation (“**Soda Mountain**,” and together with KEZI, the “**Seller**”), and **OREGON TV, LLC**, a Delaware limited liability company (“**Buyer**”).

### BACKGROUND:

KEZI owns and operates television broadcast station KEZI in Eugene, Oregon, Commission Facility ID No. 34406 (“**KEZI(TV)**”). Soda Mountain, an affiliate of KEZI, owns and operates television broadcast stations KDRV, Medford, Oregon, Commission Facility ID No. 60736 (“**KDRV(TV)**”), and KDKF, Klamath Falls, Oregon, Commission Facility ID No. 60740 (“**KDKF(TV)**,” and together with KEZI(TV) and KDRV(TV), the “**Stations**”).

Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and assume from Seller the Assets and the Assumed Liabilities of the Stations, on the terms and subject to the conditions set forth herein.

Contemporaneously with the execution and delivery of this Agreement, Buyer delivered to the Escrow Agent the APA Deposit Escrow to be held by the Escrow Agent to secure Buyer's performance of its obligations under this Agreement.

### AGREEMENT:

In consideration of the above premises, the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

#### 1. Sale and Purchase of Assets.

1.1 Sale of Assets to Buyer. At the Closing, subject to the satisfaction of the conditions set forth in Section 7, Seller shall sell and assign to Buyer and Buyer shall purchase and acquire, all right, title and interests in and to the Assets, free and clear of any and all Liens other than Permitted Liens.

1.2 Excluded Assets. Seller shall not sell, and Buyer shall not purchase, any of the Excluded Assets.

#### 1.3 Assumption of Liabilities.

(a) At the Closing, subject to the satisfaction of the conditions set forth in Section 7, Buyer shall assume, pay, perform and discharge all of the Assumed Liabilities. Buyer shall be entitled to assert any defense against a third party with respect to an Assumed Liability. Seller shall make representatives available at Seller's expense for consultation with Buyer as Buyer reasonably may request with respect to any facts in Seller's possession relevant

to such defense relating to periods prior to the Closing upon reasonable notice, during normal business hours, and for reasonable periods of time.

(b) Except as provided in Section 1.3(a), Buyer shall not assume, and shall not pay, perform or discharge, any other Liabilities or obligations of Seller, relating to the Stations, the Seller or otherwise, and Seller shall retain, pay, perform and discharge all Liabilities or obligations of Seller other than the Assumed Liabilities (including the Retained Liabilities).

## 2. Purchase Price.

2.1 Purchase Price. In consideration for the Assets, pursuant to the terms and subject to the conditions of this Agreement, at Closing Buyer shall (i) assume the Assumed Liabilities from Seller and (ii) pay **Thirty Million Two Hundred Sixty Thousand Dollars (\$30,260,000.00)**, as adjusted pursuant to Section 2.2 and Section 2.4 (the “**Purchase Price**”) as follows: (A) Buyer shall pay **Twenty-Seven Million Eight Hundred Fifty-Two Thousand Two Hundred Dollars (\$27,852,200.00)**, to Seller in cash, subject to Section 2.2 and Section 2.4, (B) Buyer shall pay the Indemnity Escrow **One Million Five Hundred Thousand Dollars (\$1,500,000.00)** in cash to the Escrow Agent pursuant to Section 2.3, and (C) the APA Deposit Escrow (**\$907,800.00**) shall be paid by the Deposit Escrow Agent to the Seller, by wire transfer of immediately available funds in accordance with written instructions set forth in the Joint Instructions. On the date hereof, Buyer has delivered the APA Deposit Escrow to the Deposit Escrow Agent to hold in accordance with and subject to the terms of this Agreement and the Deposit Escrow Agreement.

## 2.2 Prorations as of Closing.

(a) Subject to the provisions of paragraph (b) below, the Purchase Price shall be subject to adjustment to reflect the principle that all revenues and all expenses arising from the Assets and the business of the Stations, including tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets and rebates thereof, property and equipment rentals, sales commissions or other fees payable, applicable copyright or other fees, including program license payments, sales and service charges, Taxes (except for Taxes arising from the transfer of the Assets pursuant to this Agreement and except for a party’s income taxes), any accrued expenses, Commission regulatory fees, music and other license fees and similar prepaid and deferred items, shall be prorated between Buyer and Seller to effect the principle that Seller shall receive all revenues and shall be responsible for all expenses, costs and Liabilities allocable to the business of the Stations for the period ended immediately prior to the Effective Time (other than the Assumed Liabilities), and Buyer shall receive all revenues and shall be responsible for all expenses, costs and obligations allocable to the business of the Stations for the period commencing immediately on and after the Effective Time (other than the Retained Liabilities).

(b) Notwithstanding anything else in this Section 2.2 to the contrary, any prorations and adjustments pursuant to Section 2.2(a) shall be subject to the following:

(i) Intentionally deleted;



(ii) Except to the extent identified in **Schedule 4.22(a)**, as updated in accordance with Section 6.13, in no event shall Buyer be liable for any accrued but unused paid time off;

(iii) There shall be no proration for or in respect of the Excluded Assets or the Retained Liabilities, and Buyer shall not be responsible for any obligation or Liability that is not an Assumed Liability; and

(iv) Except as otherwise provided in Section 6.8, in no event shall Buyer be liable for any bonus or any other compensation payable to any employees of the Stations as a result of or in connection with the transaction contemplated herein, including stay or retention bonuses or change of control payments, all of which shall be the responsibility of Seller.

(c) Notwithstanding anything else in this Section 2.2 to the contrary, there shall be no proration between Buyer and Seller for Programming Agreements except to the extent that any payments or performance due under such Programming Agreements relates to a payment period that straddles the Effective Time. All such Programming Agreements have been amortized in accordance with the Station's ordinary course accounting policies. Notwithstanding anything to the contrary contained herein, the current liability for the Programming Agreements shall be brought current by Seller as of the Effective Time and no such amounts shall be deferred in such a manner that the liability in respect thereof differs from amounts determined by using the terms of the agreement giving rise to such liability.

2.3 Indemnity Escrow. At the Closing, Buyer will deposit with Umpqua Bank (the “**Escrow Agent**”), as escrow agent pursuant to an escrow agreement substantially in the form of **Exhibit 2.3** the (“**Escrow Agreement**”) One Million Five Hundred Thousand Dollars (\$1,500,000.00) in cash (the “**Indemnity Escrow**”). The Escrow Agent will hold the Indemnity Escrow to be distributed pursuant to the terms of the Escrow Agreement (as defined below) and this Agreement. The Indemnity Escrow will serve as the sole source of payment of any indemnification obligations of Seller pursuant to Section 9 (except for the indemnity obligations of Seller for the Fundamental Representations) and any payment due from Seller to Buyer under Section 2.4(e). On the ten (10) month anniversary of the Closing Date, in the event that no claims for indemnification in excess of \$100,000 in the aggregate have been made by the Buyer against the Seller, 50% of the Indemnity Escrow shall be released to the Seller and the total amount of the Seller’s indemnity obligation shall be reduced to the remaining balance of the Indemnity Escrow. On the nineteenth (19<sup>th</sup>) month anniversary of the Closing Date, the entire remaining balance of the Indemnity Escrow against which no claims have been made shall be released to the Seller. The Buyer and the Seller shall deliver such instructions to the Escrow Agent as may be necessary to disperse the Indemnity Escrow with the terms of this Agreement.

#### 2.4 Adjustment to Purchase Price.

(a) Determination of Estimated Purchase Price Adjustment Statement. Seller shall prepare and deliver to Buyer a written statement of its good faith estimate of any prorations required by Section 2.2(a) and the Purchase Price based thereon (the “**Estimated Purchase Price Adjustment Statement**”) no less than five (5) days prior to the Closing Date.

The Estimated Purchase Price Adjustment Statement shall be prepared in accordance with and on the same basis and applying the same accounting principles, policies and practices that were used in preparing the Financial Statements, which such principles, policies and practices are set forth on **Schedule 2.4(a)**, which contains a sample statement of the Estimated Purchase Price Adjustment Statement with a hypothetical date of Closing of May 31, 2014. The Estimated Purchase Price Adjustment Statement shall exclude any proration of income or expense with respect to Accounts Receivable.

(b) Estimated Purchase Price Adjustment Statement Adjustment. If the Estimated Purchase Price Adjustment Statement requires a decrease in the Purchase Price, such adjustment shall be effected by a reduction in the Purchase Price. If the Estimated Purchase Price Adjustment Statement requires an increase in the Purchase Price, such adjustment shall be effected by an increase in the Purchase Price.

(c) Determination of Final Purchase Price Adjustment Statement. Within ninety (90) days after the Closing Date, Buyer shall determine, and deliver to Seller a written statement of any prorations required by Section 2.2(a) and the Purchase Price based thereon (the “**Final Purchase Price Adjustment Statement**”) using the same methodology and the same accounting principles, policies and practices as were used for the Estimated Purchase Price Adjustment Statement, including the exclusion of Accounts Receivables.

(d) Disputes. If within thirty (30) days following delivery of the Final Purchase Price Adjustment Statement, Seller has not given Buyer written notice of its objection to any calculation contained therein (which notice shall state the reasonable basis of Seller's objection and specifying the amount of the dispute), then the Final Purchase Price Adjustment Statement and the Purchase Price set forth therein calculated by Buyer shall be binding and conclusive on the parties. If, on the other hand, Seller duly gives Buyer such written notice of objection, and if Seller and Buyer fail to resolve the issues outstanding in the Final Purchase Price Adjustment Statement within thirty (30) days of Buyer's receipt of Seller's objection notice, Seller and Buyer shall submit the issues remaining in dispute to a mutually acceptable partner in the Portland, Oregon office of an independent firm of a certified public accountants(or, in the event such firm is no longer in existence or is no longer independent with respect to one or both of the parties, such other firm of independent certified public accountants as the parties shall mutually agree) (the “**Independent Accountants**”) for resolution applying the principles, policies and practices referred to in Section 2.4(a). If issues are submitted to the Independent Accountants for resolution, (i) Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed issues as the Independent Accountants may reasonably request and as are available to that party or its agents and shall be afforded the opportunity to present to the Independent Accountants any material relating to the disputed issues and to discuss the issues with the Independent Accountants; (ii) the determination by the Independent Accountants, as set forth in a notice to be delivered to both Seller and Buyer within forty-five (45) days of the submission to the Independent Accountants of the issues remaining in dispute, shall be final, binding and conclusive on the parties (absent manifest error) and shall be used in the calculation of the Purchase Price; and (iii) the losing party shall bear the fees and costs of the Independent Accountants for such determination.

(e) Final Purchase Price Adjustment. The Purchase Price, as adjusted pursuant to Section 2.4(b), shall be further increased or decreased by the amount, if any, by which the Purchase Price set forth in the Final Purchase Price Adjustment Statement is greater than or less than, respectively, the Purchase Price set forth in the Estimated Purchase Price Adjustment Statement (the “**Final Purchase Price Adjustment**”). If the Purchase Price set forth in the Final Purchase Price Adjustment requires a decrease in the Purchase Price, such adjustment shall be effected by a payment in cash by Seller to Buyer within seven (7) business days after the final determination of the Final Purchase Price Adjustment. If the Purchase Price set forth in Final Purchase Price Adjustment requires an increase in the Base Purchase Price, such adjustment shall be effected by payment in cash by Buyer to Seller within seven (7) business days after the final determination of the Final Purchase Price Adjustment.

2.5 Allocation of Purchase Price. The Seller and the Buyer shall use commercially reasonable efforts to agree, within thirty (30) days after the Closing Date, but in any event not later than sixty (60) days after the Closing Date, on the allocation of the Purchase Price (and other amounts, including Assumed Liabilities, taken into account as purchase price for tax accounting purposes) among the Assets in accordance with the requirements of Section 1060 of the Code, and the regulations thereunder. If the parties hereto reach agreement with respect to such allocation, the parties agree to (i) jointly complete and separately file Forms 8594 with their respective federal income tax returns for the Tax year in which the Closing Date occurs, and (ii) not take a position on any Tax Return that is inconsistent with the terms of any such allocation without the written consent of the other parties. If the parties do not reach agreement with respect to such allocation, then each party shall make its own determination of such allocations for financial and Tax reporting purposes. The parties shall promptly advise each other of the existence of any Tax audit or Litigation related to any allocation hereunder.

### 3. Closing.

3.1 Date of Closing. The consummation of the transactions contemplated by this Agreement (the “**Closing**”) shall occur on the Closing Date, and shall be held at the offices of Seller's counsel in Eugene, Oregon, at 10:00 a.m. local time, or at such other time and place as Seller and Buyer may mutually agree. Notwithstanding the actual time the deliveries of the parties are made on the Closing Date, the parties agree that the Closing shall be effective and deemed for all purposes to have occurred as of 12:01 a.m., local time in Eugene, Oregon, on the Closing Date (the “**Effective Time**”).

3.2 Outside Date for Closing. If the Closing has not occurred by December 31, 2014 (the “**Outside Termination Date**”), either Seller or Buyer may terminate this Agreement by notice to the other; upon such termination, neither of the parties shall have any Liability of any kind arising out of this Agreement other than for any Liability resulting from its breach of this Agreement prior to termination subject to the terms and conditions of Section 10. If the Closing is postponed pursuant to Section 11, the date referred to in the previous sentence shall be extended by the period of the postponement.

4. Representations and Warranties by Seller. KEZI and Soda Mountain, jointly and severally, represent and warrant, subject to the exceptions disclosed in the disclosure schedules provided to Buyer pursuant to this Agreement, to Buyer as follows:

4.1 Organization, Valid Existence and Foreign Qualification. Each of KEZI and Soda Mountain is a corporation duly incorporated and validly existing under the laws of the State of Oregon with the power and authority to carry on the business of the Stations and to own, lease and operate its Assets. Soda Mountain is duly qualified to transact business as a foreign corporation in good standing in the State of California. Other than as set forth on **Schedule 4.1**, neither KEZI nor Soda Mountain has any subsidiaries and does not own the capital stock or other securities of any other Person.

4.2 Authority and Binding Effect. Each of KEZI and Soda Mountain has the corporate power and authority necessary to enter into and perform its obligations under this Agreement and the other agreements contemplated hereby to which it is a party (the “**Seller Other Agreements**”) and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Seller Other Agreements have been, or will be, as applicable, approved by all necessary corporate action of KEZI and Soda Mountain. This Agreement has been, and the Seller Other Agreements will be, executed and delivered by duly authorized officers of KEZI and Soda Mountain and each constitutes, or will constitute when executed and delivered, the legal, valid and binding obligation of KEZI and Soda Mountain, enforceable against KEZI and Soda Mountain in accordance with its terms except as such enforceability may be limited by principles of public policy, and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 Validity of Contemplated Transactions, Restrictions. Except as disclosed on **Schedule 4.3**, the execution, delivery and performance of this Agreement and the Seller Other Agreements by KEZI and Soda Mountain and the consummation of the transactions contemplated hereby or thereby, will not (i) violate any provision of the organizational documents of KEZI or Soda Mountain, (ii) violate, in any Material respect, any Law or Order relating to KEZI or Soda Mountain or related to the Stations, (iii) result in a Default under any Material Business Contract, Leases or any Material License held by either KEZI or Soda Mountain related to the Stations, (iv) result in the creation or imposition of any Lien on any of the Assets, other than Permitted Liens; or (v) require the consent or approval of, or any Material notice to, any Governmental Authority.

4.4 Books And Records. The books of account and other financial Records of KEZI and Soda Mountain, all of which have been made available to Buyer, are complete and correct and represent actual, bona fide transactions and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. The minute books of KEZI and Soda Mountain for the past three years have been made available to Buyer, and contain accurate and complete Records of all meetings held of, and corporate action taken by, the shareholders, the board of directors and committees of the board of directors of KEZI and Soda Mountain, and no meeting of any such shareholders, board of directors or committee has been held for the past three years for which minutes have not been prepared or are not contained in such minute books.

4.5 Financial Statements. Attached as **Schedule 4.5** are true, correct and complete copies of all of the Financial Statements. The Financial Statements are not audited but they (i) have been prepared in accordance with GAAP consistently applied (except as identified on **Schedule 4.5**, and except for normal yearend adjustments and the absence of notes in respect of any Interim Financial Statements since the last Financial Statements) throughout the periods covered thereby and in accordance with the books and records of Seller, which are complete and correct in all Material respects, (ii) present fairly, in all Material respects, the financial position of Seller as of the dates indicated and the results of its operations and its cash flows for the periods then ended, and (iii) reflect reserves in conformity with GAAP, except for as otherwise identified on **Schedule 4.5**. The Financial Statements contain all adjustments necessary to present fairly, in all Material respects, the financial condition of Seller as of the respective dates indicated and the results of operations of Seller for the respective periods indicated, except that the Interim Financial Statements remain subject to normal audit adjustments and absence of notes. The Financial Statements and Interim Financial Statements have been and will be prepared from and are in accordance with the accounting Records of Seller.

4.6 Absence of Undisclosed Liabilities. Seller has no Undisclosed Liabilities attributable to the Stations, except for Liabilities incurred since the November 30, 2013 in the ordinary course of business consistent with past practice.

4.7 Absence of Changes. Except as disclosed on **Schedule 4.7**, since the Interim Financial Statement Date through the date hereof: (i) the business of the Stations has been carried on only in the ordinary course consistent with past practice, (ii) there has been no Material Adverse Change, and, to Seller's Knowledge, there has been no event or circumstance that is reasonably anticipated to result in a Material Adverse Change with respect to the Seller, the business of the Stations or the Assets, (iii) Seller has not made any change in any method of accounting or any accounting principle, policy or practice with respect to the Stations, (iv) Seller has not canceled, modified or waived, without receiving payment or performance in full, except for adjustments to Accounts Receivable in the ordinary course of business, any (a) Material Liability owed to Seller with respect to the Stations, including any account receivable of Seller from any Affiliate or any Related Party to an Affiliate, (b) Material Litigation Seller may have against other Persons with respect to the Stations, or (c) other Material rights of Seller with respect to the Stations, (v) Seller has not (a) made any Material adverse amendment to or terminated any Material Business Contract or Material License with respect to the Stations, (b) made any increase in compensation paid, payable or to become payable by Seller to its employees of the Stations, or created or amended any Employee Benefit Plan, outside of the ordinary course of business, (c) incurred Material loss of or to any of its assets related to the Stations, (d) sold, assigned, leased or otherwise transferred or disposed of any tangible or intangible assets used or held for use in the operations of the Stations, except for immaterial assets in the ordinary course of business or dispositions or sales of analog television assets or (e) lowered the advertising rates of the Stations in a manner not consistent with past practices or reflective of current market conditions, (vi) there has been no change in cable carriage or channel position on any cable or DBS system on which the Stations are carried, (vii) there has been no material transaction with either KEZI or Soda Mountain or their respective Affiliates or any officer or director of KEZI or Soda Mountain or their respective Affiliates other than on an arms' length basis; and (viii) there has been no agreement or arrangement to take any of the actions specified in this **Section 4.7**, except as expressly contemplated by this Agreement..

4.8 Tax Matters. Except as set forth on **Schedule 4.8:**

(a) Seller has filed with the appropriate taxing authorities all Material Tax Returns required to be filed through the date hereof and all such Tax Returns were correct and complete in all Material respects, and were prepared in compliance in all Material respects with all applicable Laws and regulations. Seller has paid all Taxes required to be paid, other than Taxes not yet due and Taxes being contested in good faith by appropriate proceedings and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Financial Statements and the Interim Financial Statements.

(b) The reserves for Taxes in the Interim Balance Sheet are accrued in accordance with GAAP and sufficient for the payment of all unpaid Liabilities for Taxes of Seller (whether or not disputed) for all activities that occurred and all assets owned during the periods ended on or before the Interim Balance Sheet Date. Since the Interim Financial Statement Date, Seller has not incurred any Liability for Taxes other than in the ordinary course of business and no such Tax Liability so incurred is Material. Seller has not been delinquent in the payment of any Tax, assessment, deposit or other charge by any Governmental Authority and no Liability is pending or has been assessed, asserted or threatened against Seller or any of the Assets in connection with any Tax, and, to the Knowledge of Seller, there is no basis for any such Liability. Seller has not received any notice of assessment or proposed assessment in connection with any Tax Returns and there are no pending Tax examinations of or Tax claims asserted against Seller or any of the Assets, including any claim by any Governmental Authority in any jurisdiction where Seller did not file Tax Returns that Seller is or may be subject to or liable for Taxes imposed by that Governmental Authority or jurisdiction. There are no Liens for any Taxes (other than any inchoate Lien for current real property or ad valorem Taxes not yet due and payable) on any of the Assets or any other assets of Seller.

(c) No Tax is required to be withheld pursuant to Section 1445 of the Code as a result of any of the transfers contemplated by this Agreement.

(d) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(e) Seller is not a party to any Tax allocation or sharing agreement. Seller does not have any Liability for the Taxes of any Person as a transferee or successor, by contract, or otherwise.

4.9 Title to Assets; Encumbrances; Condition.

(a) Except as set forth on **Schedule 4.9**, Seller has good and marketable title to all of the Assets free and clear of any and all Liens, except Permitted Liens. **Schedule 4.9** contains a list as of the date hereof of all title insurance policies held or owned by Seller relating to the Real Property. Copies of all such title insurance policies have been delivered or made available to Buyer by Seller.

(b) Each Improvement and each item of tangible Personal Property is adequate for its present and intended uses and operation, given the age of such property and the

use to which such property is put and except to the extent of normal wear and tear and is usable in the ordinary course of business consistent with past practices. The Assets, together with the Excluded Assets, include all assets required to operate the business of the Stations as currently conducted in all Material respects.

#### 4.10 Real Property.

(a) **Schedule 4.10(a)** contains the legal description of each parcel of the Owned Real Property. Except as set forth on **Schedule 4.10(a)**, Seller has granted no option or entered into any contracts with others for the sale, lease or transfer of any Owned Real Property, and no party has any right or option to acquire, or right of first refusal with respect to, any Owned Real Property or any portion thereof.

(b) **Schedule 4.10(b)** contains a list of all Leased Real Property relating to the Stations.

(c) Except as disclosed on **Schedule 4.10(c)**, each parcel of Real Property has access to and from such parcel of Real Property and publicly dedicated streets, roads or highways. Except as disclosed on **Schedule 4.10(c)**, to the best of Seller's Knowledge, no part of any improvement on the Owned Real Property encroaches on any real property not included in the Owned Real Property, and to the best of Seller's Knowledge, there are no buildings, structures, fixtures or other improvements to the Owned Real Property primarily situated on adjoining property which encroach on any part of the Owned Real Property.

(d) To the Knowledge of Seller, there are no encroachments on or off the Real Property, violations of building codes, zoning, subdivision or other similar Laws or other Material defects in the title of said Real Property. To Seller's Knowledge, all Improvements, structures and transmitting facilities of the Stations, including, towers, antennas, guy lines, anchors and other related building, structures, improvements and appurtenances, are located entirely within the confines of the Real Property, except for such failures as are not, individually or in the aggregate, Material.

(e) As of the Closing Date, there will be no unrecorded Contracts affecting the Owned Real Property or any part thereof, except for those Contracts identified on **Schedule 4.21(a)(i)**, and there will be no Persons in possession of the Owned Real Property or any part thereof other than Seller and the tenants under the Leases.

(f) No claim or right of adverse possession by any Third Party has been claimed with respect to the Owned Real Property nor, to the Knowledge of Seller, the leased Real Property, and none of such property is subject to any Order for its sale, condemnation, expropriation or taking (by eminent domain or otherwise) by any Governmental Authority nor, to the Knowledge of Seller, has any such sale, condemnation, expropriation or taking been proposed or threatened.

(g) **Schedule 4.10(b)** contains a list of all Leases and Seller has provided Buyer with (i) true and correct copies of all such written Leases for the Leased Real Property, including all amendments, schedules addendum and exhibits thereto, except as noted on **Schedule 4.10(b)**, and (ii) summaries of all such oral Leases for the Leased Real Property

which, to the best of Seller's Knowledge, are true, correct and complete. Each of the Contracts of Seller relating to the Leased Real Property is identified in **Schedule 4.21(a)(i)** and each such Contract is in full force and effect and there exists no default or event of default (or condition which, with the giving of notice or passage of time, or both, would create a default or event of default) on the part of Seller, nor, to the Knowledge of Seller, on the part of any other party, under any such Contracts.

(h) Seller has not received any notice of any Material violation of Law affecting the Owned Real Property or Leased Real Property. Seller is not in Material default under any Lease and to Seller's Knowledge, no other party under any Lease for the Leased Real Property is in material default under such Lease.

(i) Except as set forth on **Schedule 4.10(i)**, each Lease for the Leased Real Property identified on **Schedule 4.10(b)** which is to be assigned to or assumed by Buyer is assignable by Seller to Buyer without the consent of any other Person and no event has occurred or circumstances exists that (with or without notice or lapse of time) may contravene, conflict with or result in a Default by Seller, or the other Person the right to declare a Default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any such Lease.

#### 4.11 Personal Property.

(a) **Schedule 4.11(a)** contains a correct and complete list of each item of Personal Property that has an original cost in excess of \$500 (excluding office furniture, equipment, supplies and miscellaneous items of personal property with an aggregate cost value of less than \$50,000).

(b) **Schedule 4.21(a)(ii)** contains a correct and complete description of all Leased Personal Property as of the date hereof. Each of the Contracts of Seller relating to such Leased Personal Property, true and correct copies and any amendments, exhibits, schedules and addendums thereto have been provided to Buyer, is fully and accurately identified and described on such schedule (including duration, significant terms, and details of purchase options, if any) and each such Contract is in full force and effect and there exists no default or event of default (or condition which, with the giving of notice or passage of time, or both, would create a default or event of default) on the part of any such Contracts. Except as disclosed on **Schedule 4.11(b)**, neither the Leased Personal Property nor any of Seller's right, title or interest therein is affected by any Lien, prior interests or superior interests of any nature whatsoever that will, or potentially could, terminate or otherwise adversely affect such Leased Personal Property or any of Seller's right, title and interest therein, other than Permitted Liens.

4.12 Intellectual Property. **Schedule 4.12** contains a correct and complete list of all of the Registered Station Intellectual Property, all of the call letters for each Station and any material common law trademarks related to the Stations. All Material Licenses granting any rights with respect to Material Station Intellectual Property are in full force and effect and constitute legal, valid and binding obligations of Seller, and to the Knowledge of Seller, the other respective parties thereto. There have not been and there currently are not any Defaults thereunder by Seller or, to the Knowledge of Seller, any other party thereto. To the Knowledge



of Seller, no Seller has, in connection with the business of the Stations, violated, infringed upon or unlawfully or wrongfully used the Intellectual Property of others. To the Knowledge of Seller, no Material Station Intellectual Property, as used in the business of the Stations, infringes upon or otherwise violates the rights of others. No Person has asserted in writing within the twelve (12) months immediately preceding the date of this Agreement a bona-fide claim of such infringement or misuse. Seller has used commercially reasonable efforts to enforce, maintain and protect its interests in and to Station Intellectual Property. All Material patents, trademarks, trade names, service marks, assumed names, and copyrights and all registrations thereof included in the Registered Station Intellectual Property are valid, subsisting and in full force and effect.

#### 4.13 Capitalization.

(a) Chambers Communications Corp. (“**Chambers**”) owns all of the authorized equity and voting securities of KEZI. Chambers is and will be on the Closing Date the record and beneficial owner and holder of all of the issued and outstanding equity and voting securities of KEZI, owned free and clear of all Liens, other than as set forth on **Schedule 4.13(a)**. There are no Contracts relating to the issuance, sale or transfer of any equity or voting securities or other securities of KEZI.

(b) Chambers owns all of the authorized equity and voting securities of Soda Mountain. Chambers is and will be on the Closing Date the record and beneficial owner and holder of all of the issued and outstanding equity and voting securities of Soda Mountain, owned free and clear of all Liens, other than as set forth on **Schedule 4.13(b)**. There are no Contracts relating to the issuance, sale or transfer of any equity or voting securities or other securities of Soda Mountain.

#### 4.14 Intentionally deleted.

#### 4.15 Insurance.

(a) **Schedule 4.15(a)** contains a complete and accurate list of all insurance policies held or owned by Seller relating to the business of the Stations and now in force and such schedule indicates the name of the insurer, the type of policy, the amount of the premiums, the term of each policy, and the amounts of coverage and deductible in each case and all outstanding claims thereunder. Correct and complete copies of all such policies have been delivered to Buyer by Seller on or before the date of this Agreement. All such policies are in full force and effect and are enforceable against Seller, and to the Knowledge of Seller, enforceable against any third party thereto, in accordance with their terms except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Seller is not now in Material Default regarding the provisions of any such policy, including failure to make timely payment of all premiums due thereon, and has not failed to give any notice or present any claim thereunder in due and timely fashion.

(b) **Schedule 4.15(b)** sets forth: (i) any self-insurance arrangement by or affecting Seller, including any reserves established thereunder; and (ii) any Contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk to which Seller is a party or which involves the business of Seller.

(c) **Schedule 4.15(c)** sets forth, by year, for the current policy year and each of the three (3) preceding policy years: (i) a summary of the loss experience under each policy of insurance; (ii) a statement describing each claim under a policy of insurance for an amount in excess of Fifty Thousand dollars (\$50,000) which sets forth: (A) the name of the claimant; (B) a description of the policy by insurer, type of insurance and period of coverage; and (C) the amount and a brief description of the claim; and (iii) a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

4.16 Bonds, Letters of Credit and Guarantees. **Schedule 4.16** contains a complete and accurate list as of all bonds, letters of credit, and guarantees issued by Seller, its members or any Third Party for the benefit of Seller or relating to Seller or the business of the Stations and now in force or outstanding. Such **Schedule 4.16** contains a summary of the terms, amount, cost and reason for issuance of each such bond, letter of credit and guarantee, correct and complete copies of which have been delivered to Buyer by Seller on or before the date of this Agreement. All such bonds, letters of credit and guarantees are in full force and effect and are enforceable against Seller, and to the Knowledge of Seller, enforceable against any third party thereto, in accordance with their terms except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Neither Seller nor, to the Knowledge of Seller, any other party thereto is in Material Default regarding the provisions of any bond, letter of credit or guarantee, including the failure to make timely payment of all premiums and fees due thereon, and Seller has not failed to give any notice or present any claim thereunder in due and timely fashion.

#### 4.17 Compliance with Law.

(a) Except as set forth in **Schedule 4.17(a)**, Seller is in compliance in all Material respects with all Laws, Licenses and Orders applicable to, required of or binding on Seller with respect to the Stations, the business of the Stations, or the Assets, including the FCC Licenses and the Communications Act of 1934, as amended (including, *inter alia*, by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996), and the rules, regulations, and published policies of the Commission, US telecommunications regulatory agencies (such as public service or utilities commissions) and related interpretations by the federal courts, any state or local telecommunications laws and any applicable laws, rules, regulations and orders of any state, territorial or foreign public utility commission (the “**Communications Laws**”). Seller has

been and remains qualified by the Commission to hold all of the FCC Licenses with respect to the Stations.

(b) Except as set forth in **Schedule 4.17(b)**, Seller holds all Licenses other Material permits and authorizations necessary for or used in the operations of the Stations, including all consents, approvals, permits and licenses required or issued by applicable state or federal telecommunications regulatory agencies, including the Commission, and each of the FCC Licenses is, and all such Licenses are, valid and in full force and effect; is not subject to any condition except conditions applicable to the broadcast industry generally or as otherwise disclosed on the face of the License; and has not been suspended, revoked, canceled or adversely modified. Seller is not subject to any FCC “red light” status. **Schedule 1.1(a)** contains a true and complete list of the FCC Licenses and Antenna Structure Registrations currently in effect and all such permits and authorizations (showing, in each case, the expiration date). Seller has (i) submitted a registration to FCC's Antenna Structure Registration Database and (ii) obtained and holds an antenna structure registration number for each of those antenna structures used in the business of the Stations for which Seller is the antenna structure owner and for which such a registration is required to comply with Section 17 of the FCC rules. Except as set forth in **Schedule 4.17(b)**, no action or proceeding, except for rule making proceedings and other proceedings generally applicable to the television industry, is pending for the renewal or modification of any of the FCC Licenses or any of such permits or authorizations, Seller, to its Knowledge, has not failed to take any action required to maintain its eligibility to renew the FCC Licenses, and no application, action, proceeding or investigation is pending or threatened in writing that could reasonably be expected to result in (i) the imposition of any administrative or judicial sanction with respect to the Stations that may Materially adversely affect the rights of Buyer under any such FCC Licenses, permits or authorizations, (ii) the denial of any application for license renewal, (iii) the revocation, modification or suspension of any of the Licenses or any of such permits or authorizations, or (iv) the issuance of a cease-and-desist order. Except as set forth in **Schedule 4.17(b)**, as of the date hereof, to Seller's Knowledge, no complaint is pending or threatened in writing that could reasonably be expected to result in (i) the imposition of any administrative or judicial sanction with respect to the Stations that may Materially adversely affect the rights of Buyer under any such FCC Licenses, permits or authorizations, (ii) the denial of the application for renewal, (iii) the revocation, modification, or suspension of any of the FCC Licenses or any of such permits or authorizations, or (iv) the issuance of a cease-and-desist order. Seller has the right to the use of the call letters “**KEZI**”, “**KDRV**” and “**KDKF**” pursuant to the rules and regulations of the Commission. All Material returns, reports and statements required to be filed by Seller with the Commission relating to the Stations have been filed and complied with and, to Seller's Knowledge, are complete and correct in all Material respects as of the date specified in such return, report or statement, and Seller has paid all Commission regulatory fees in respect of the Stations which have become due.

**4.18 Environmental. Except as set forth in Schedule 4.18:**

(a) Seller has not received any notice of any Environmental Claims (or any Litigation against any Person whose Liability, or any portion thereof, for Environmental Matters or under any Environmental Laws Seller has or may have retained or assumed contractually or by operation of law) pending or, to the Knowledge of Seller, threatened with respect to (i) the ownership, use, condition or operation of the business of the Stations, the

Assets, or the Real Property, or (ii) any violation or alleged violation of or Liability or alleged Liability under any Environmental Law or any Order related to Environmental Matters. There are no existing violations by Seller, nor, to the Knowledge of Seller, by any other party, of (i) any Environmental Law, or (ii) any Order related to Environmental Matters, with respect to the ownership, use, condition or operation of the business of the Stations, the Assets, or the Real Property. To the Knowledge of Seller, there are no past or present actions, activities, circumstances, conditions, events or incidents at or arising from the Real Property, including any Environmental Matters that could form the basis of (i) any Environmental Claim against Seller, or (ii) any Litigation against any Person whose Liability (or any portion thereof) for Environmental Matters or under any Environmental Laws Seller has or may have retained or assumed contractually or by operation of Law.

(b) Seller has not used any of the Assets or Real Property for the handling, treatment, storage, or disposal of any Hazardous Substances.

(c) No release, discharge, spillage or disposal of any Hazardous Substances by Seller, nor, to the Knowledge of Seller by any other party, has occurred or is occurring at any Assets or Real Property for which Seller could reasonably be expected to incur Liability.

(d) All underground tanks and other underground storage facilities presently located at any Owned Real Property of which Seller has Knowledge are listed in **Schedule 4.18**. Except as set forth on **Schedule 4.18**, to the Knowledge of Seller, none of such underground tanks or facilities is leaking or has ever leaked.

(e) Seller has complied with, and complied with all applicable reporting requirements under, all Environmental Laws concerning the disposal or release of Hazardous Substances.

(f) To the Knowledge of Seller, no building or other Improvement or any Real Property contains any asbestos-containing materials for which remediation is required as of the date hereof under Environmental Law.

(g) To the Knowledge of Seller, no polychlorinated biphenyls (PCB's) are used or stored on or in any Real Property.

(h) Without limiting the generality of any of the foregoing, all on-site and off-site locations where Seller or any of its current or former Subsidiaries has stored, disposed or arranged for the disposal of Hazardous Substances removed from the Real Property are identified in **Schedule 4.18**.

(i) **Schedule 4.18** lists all environmental site assessments and other studies in Seller's possession relating to the investigation of the possibility of the presence or existence of any Environmental Matter with respect to the business of the Stations, the Assets or any of the Real Property, and Seller has previously delivered to Buyer a copy of each such assessment and study.

(j) The disclosure of facts set forth in **Schedule 4.18** shall not relieve Seller of any of its obligations under this Agreement, specifically including the obligation to indemnify Buyer as set forth in Section 9 hereof.

(k) Notwithstanding any other provision of this Agreement, Buyer acknowledges and agrees that the representations and warranties contained in Section 4.18 are the only representations and warranties given by Seller with respect to Environmental Laws, Environmental Matters or Environmental Claims.

4.19 Litigation and Claims. Except as disclosed on **Schedule 4.19** or **Schedule**

**4.17:**

(a) There is no Litigation pending or threatened, nor has there been any Litigation pending or threatened during the two (2) years prior to the date hereof; and

(b) There are no outstanding Orders (other than Orders granting, renewing, or modifying FCC Licenses as requested by Seller in an application filed with the Commission) binding upon Seller, the Assets, the business of the Stations or Seller's securities, other than Orders affecting generally Seller's industry or segments thereof.

4.20 Employee Benefit Plans.

(a) **Schedule 4.20(a)** contains true, correct and complete list of all Employee Benefit Plans and identifies any such Employee Plan that is (w) a "Defined Benefit Plan" (as defined in Section 414(l) of the Code); (x) a plan intended to meet the requirements of Section 401(a) of the Code; (y) a "Multiemployer Plan" (as defined in Section 3(37) of ERISA); or (z) a plan subject to Title IV of ERISA, other than a Multiemployer Plan. Also set forth on **Schedule 4.20(a)** is a complete and correct list of all ERISA Affiliates of Seller during the last two (2) years.

(b) True, correct and complete copies of (i) each Employee Benefit Plan, (ii) all current collective bargaining agreements to which Seller is a party (iii) all trust agreements, insurance contracts or any other funding instruments related to the Employee Benefit Plans, (iv) all rulings, determination letters, no-action letters or advisory opinions from the IRS, (v) all contracts with third-party administrators, actuaries, investment managers, consultants and other independent contractors that relate to any Employee Benefit Plan, (vi) with respect to Employee Benefit Plans that are subject to Title IV of ERISA, the Form PBGC-1 filed for each of the three most recent plan years; and (vii) all summary plan descriptions, summaries of material modifications and memoranda, employee handbooks and other written communications regarding the Employee Benefit Plans, in each case have been made available to Buyer.

(c) Except as set forth in **Schedule 4.20(b)** hereto:

(i) each such Employee Benefit Plan has been administered in compliance with its own terms and in compliance in all Material respects with all applicable Laws. All required contributions for each Employee Benefit Plan have been

timely made. There are no undisclosed Liabilities in respect of the Employee Benefit Plans with respect to which Buyer could be liable;

(ii) each of such Employee Benefit Plans which is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code has been determined by the IRS to be so qualified and, to the Knowledge of Seller, no circumstances have occurred that would adversely affect the tax-qualified status of any such Employee Benefit Plan;

(iii) no Employee Benefit Plan is, or has been in the last three years, subject to Title IV of ERISA or Section 412 of the Code;

(iv) neither Seller nor any Commonly Controlled Entity has incurred any withdrawal liability that has not been satisfied with respect to any “multiemployer plan” (as defined in Section 4001(a)(3) of ERISA); and

(v) Seller does not currently have and has not previously had any obligation to contribute to a Multiemployer Plan;

(vi) no action taken with respect to an Employee Benefit Plan has caused or resulted in a Prohibited Transaction with respect to which Buyer could be liable;

(vii) full payment has been made of all amounts that are required under the terms of each Employee Benefit Plan to be paid as contributions with respect to all periods prior to and including the last day of the most recent fiscal year of such Employee Benefit Plan ended on or before the date of this Agreement and all periods thereafter prior to the Closing Date, and no accumulated funding deficiency or liquidity shortfall (as those terms are defined in Section 302 of ERISA and Section 412 of the Code) has been incurred with respect to any such Employee Benefit Plan, whether or not waived.

(d) Except as set forth in **Schedule 4.20(d)**, no Employee Benefit Plan provides severance benefits to current or former Station Employees.

(e) Except as set forth in **Schedule 4.20(e)**, the consummation of the transactions contemplated hereby, either alone or in combination with another event, will not (i) entitle any Station Employees to any payment, (ii) increase the amount of compensation due to any Station Employee, (iii) accelerate the time of vesting of any compensation, stock incentive or other benefit or (iv) result in any “parachute payment” under Section 280G of the Code whether or not such payment is considered to be reasonable compensation for services rendered.

(f) Except as set forth in **Schedule 4.20(f)**, Seller has no liability with respect to an obligation to provide benefits, including death or medical benefits (whether or not insured) with respect to any Station Employee or former Station Employee beyond his or her retirement or other termination of service other than (i) coverage under COBRA, or (ii) disability benefits under any employee welfare plan that have been fully provided for by insurance.

(g) No action, suit, proceeding, hearing, or investigation of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of Seller, threatened.

#### 4.21 Contracts.

(a) Description.

(i) Real Property. **Schedule 4.21(a)(i)** is a list or, with respect to oral Contracts, a brief description of all Material Contracts affecting or relating to the Owned Real Property, other than the Leases described in **Schedule 4.10(b).**

(ii) Personal Property. **Schedule 4.21(a)(ii)** is a list or, with respect to oral Contracts, a description of all Contracts affecting or relating to Personal Property with a value in excess of \$20,000, including Contracts evidencing Liens thereon and including those referred to in **Schedule 4.9.**

(iii) Purchase Orders; Non-Capital Assets. **Schedule 4.21(a)(iii)** is a list of all outstanding Contracts for the acquisition or sale of goods, Assets or services that relate to the business of the Stations (other than purchase orders or other commitments for the acquisition of capital assets and other than purchase orders and other commitments that do not exceed \$20,000 each).

(iv) Purchase Orders Capital Assets. **Schedule 4.21(a)(iv)** is a list of all outstanding Contracts for the acquisition of capital assets that relate to the business of the Stations (other than purchase orders and other commitments that do not exceed \$20,000 each).

(v) Employment; Other Affiliate Contracts. **Schedule 4.21(a)(v)** contains a list or, with respect to oral Contracts, a brief description of all Contracts with any employee, officer, agent, consultant, sales representative, distributor, dealer or Affiliate of Seller that relate to the business of the Stations (other than those entered into in the ordinary course of business consistent with past practice that are terminable at will by Seller without any Liability).

(vi) Sales Representatives. **Schedule 4.21(a)(vi)** is a list or brief description of all Contracts with any agent, broker, sales representative of, or any Person in a similar representative capacity for, Seller that relate to the business of the Stations.

(vii) Powers of Attorney. **Schedule 4.21(a)(vii)** is a list or, with respect to oral Contracts, a brief description of all powers of attorney given by Seller, whether limited or general, to any Person continuing in effect that relate to any of the Assets or the business of the Stations.

(viii) Programming and Network Affiliation Agreements. **Schedule 4.21(a)(viii)** is a list or, with respect to oral Contracts, a brief description of all network affiliation agreements and all Programming Agreements including for each of

those agreements the amounts and availability dates of programming and the dollar amount and schedule of any payments thereunder.

(ix) Barter and Trade Agreements. **Schedule 4.21(a)(ix)** is a list or, with respect to oral Contracts, a brief description of all “barter” and “trade” agreements with total remaining asset or liability balances in excess of \$20,000 and includes an estimate of the positive or negative trade balances associated with each such agreement.

(x) Station Intellectual Property Agreements. **Schedule 4.21(a)(x)** is a list or, with respect to oral Contracts, a brief description of all Contracts between Seller and any Third Party relating to the development, maintenance or use of any Station Intellectual Property or any of Seller's Material information technology Assets used in connection with the operation of the Stations, the development or transmission of data, or the use, modification, framing, linking, advertisement or other practices solely with respect to Internet web sites for the Stations.

(xi) Any Other Contracts. **Schedule 4.21(a)(xi)** is a list or, with respect to oral Contracts, a brief description of any other Contracts of Seller (other than Contracts with Material Advertisers) that relate to the business of the Stations and that: (A) provide for monthly payments by or to Seller in excess of \$5,000, (B) payments provided for or actually made thereunder by or to Seller in any calendar year exceed \$30,000, (C) require performance by Seller of any obligation for a period of time extending beyond six months from the Closing Date or that is not terminable by Seller without penalty upon sixty (60) days or less notice, (D) evidence, create, guarantee or services indebtedness of Seller or any other Person, (E) establish or provide for any joint venture, partnership or similar arrangement involving Seller, (F) guarantee or endorse the Liabilities of any other Person, (G) containing covenants that in any way purport to restrict Seller's business activity or limit the freedom of Seller to engage in any line of business or to compete with any Person, or (H) each amendment, supplement and modification (whether oral or written) in respect of any of the foregoing.

(b) Copies. Except as set forth in **Schedule 4.21(b)**, correct and complete copies of all the written Contracts, and correct and complete descriptions of the Material terms of all oral Contracts, referred to in Section 4.21(a), other than Contracts with Material Advertisers set forth on **Schedule 4.21(f)** (or not otherwise required to be set forth on Schedule 4.21(f)) but expressly including agreements and Contracts referred to in Section 4.21(c), (collectively, the “**Material Business Contracts**”) have been delivered or made available to Buyer on or before the date hereof.

(c) Retransmission Agreements. **Schedule 4.21(c)** includes a true and complete list as of all agreements with operators of cable television and DBS systems with over 2,500 subscribers pursuant to which Seller has granted to such operators the right to retransmit the Stations' signals (the “**Retransmission Agreements**”). Except as set forth on **Schedule 4.21(c)**, no cable or DBS system has notified Seller of any signal quality deficiency or copyright indemnity or other prerequisite to carriage of the Stations' signals, and no cable or DBS system has notified Seller that it has declined or threatened in writing to decline such



carriage or failed to respond to a request for carriage or sought any form of relief from carriage from the Commission. To the Seller's Knowledge, no cable system has petitioned the Commission to modify the Stations' television markets, the grant of which petition would result in the Stations no longer having "must carry" rights with respect to such cable system.

(d) No Default. Except as set forth on **Schedule 4.21(d)**, neither Seller nor, to the Knowledge of Seller, any other party is in Material Default under any of the Material Business Contracts and, to the Knowledge of Seller, there is no basis for any claim of Material Default under any of the foregoing.

(e) Assurances. Each of the Material Business Contracts is in full force and effect and constitutes a valid, legal and binding agreement of Seller, enforceable against Seller, and to the Knowledge of Seller, against any third party thereto, in accordance with its terms except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law) and, to the Knowledge of Seller, represents a valid, legal, binding and enforceable obligation of each of the other parties thereto, except as such enforceability may be limited by principles of public policy, and subject to (X) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (Y) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Subject to obtaining any consents required and delivery of notices required thereunder, the continuation, validity and effectiveness of each of the Material Business Contracts will not be adversely affected in any Material respect by the consummation of the transactions contemplated by this Agreement. Seller has received no notice from any party to any of the Material Business Contracts in writing of the assertion of any defense, setoff or counterclaim under any of those Material Business Contracts or has exercised any option granted to it to cancel or terminate its Material Business Contracts or to shorten the term of its Material Business Contracts.

(f) Material Advertisers. No Material Advertiser has in writing made or asserted any defense, setoff or counterclaim under any of those Contracts between Seller and a Material Advertiser with respect to the Stations or has exercised any option granted to it to cancel or terminate its Contracts with Seller with respect to the Stations or to shorten the term of its Contracts with Seller with respect to the Stations. "**Material Advertiser**" means any advertiser on the Stations whose payments to Seller with respect to the Stations have exceeded \$100,000 annually in the past fiscal year. No Material Advertiser has given written notice of its intent to modify adversely to Seller its relationship with Seller with respect to the Stations or decrease the advertising purchased from Seller with respect to the Business. **Schedule 4.21(f)** is a list or, with respect to oral Contracts, a brief description of any Contracts with Material

Advertisers that relate to the business of the Stations and that provide for monthly payments by or to Seller in excess of \$10,000 or annual payments in excess of \$50,000.

(g) Assignability. Except as set forth in **Schedule 4.21(g)**, each Material Business Contract identified on **Schedule 4.21(a)**, each Retransmission Agreement identified on **Schedule 4.21(c)** and each Contract with a Material Advertiser identified on **Schedule 4.21(f)** and which is to be assigned to or assumed by Buyer is assignable by Seller to Buyer without the consent of any other Person and, to the Knowledge of Seller, no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with or result in a Default of, or give Seller or other Person the right to declare a Default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any such Contracts or agreements.

(h) Renegotiations. There are no renegotiations of, attempts to renegotiate or outstanding rights to renegotiate any material amounts paid or payable to Seller under current or completed Material Business Contracts, Retransmission Agreements or Contracts with Material Advertisers that would result in an increase of any annual payments by the Seller of at least \$25,000.

#### 4.22 Labor Matters.

(a) **Schedule 4.22(a)** hereto contains a true, correct and complete list of all employees of the Seller who have employment duties related to the Stations, including (and designating as such) any such employee who is an inactive employee on paid or unpaid leave of absence, and indicating the date of employment, current title and annual or hourly compensation and commission or bonus program (if applicable), annual paid time off accrual, paid time off that is accrued but not used and service credited for purposes of vesting and eligibility to participate under any Employee Benefit Plan, with respect to each such employee. Each employee set forth in **Schedule 4.22(a)** hereto who is employed by the Seller immediately prior to the Closing (whether actively or inactive), and each additional employee who is hired to perform services for the Stations following the date hereof who is employed by the Seller immediately prior to the Closing, shall be referred to herein individually as a “**Station Employee**” and, collectively, as the “**Station Employees**.” For purposes of clarity, Seller shall update **Schedule 4.22(a)** as required by **Section 6.13**.

(b) Except as disclosed on **Schedule 4.22(b)**, the employment of all employees of Seller is terminable at will by Seller without any penalty or severance obligation incurred by Seller.

(c) Except as set forth on **Schedule 4.22(c)** hereto, there is not pending or, to the Knowledge of Seller, threatened against Seller, any labor dispute, strike or work stoppage that affects or interferes with the operation of the Stations, and to the Knowledge of Seller there is no organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of the Stations. The Stations have not experienced any labor dispute, strike, work stoppage or other similar significant labor difficulties within the twelve (12) months preceding the date of this Agreement.

(d) Except as set forth on **Schedule 4.22(d)** hereto, (i) Seller is not a signatory or a party to, or otherwise bound by, any collective bargaining agreement which covers any Station Employees or former Station Employees, (ii) Seller has not agreed to recognize any union or other collective bargaining unit with respect to any Station Employees, and (iii) no union or other collective bargaining unit has been certified as representing any Station Employees.

(e) Except as set forth on **Schedule 4.22(e)**, there are no pending or to the Knowledge of Seller, threatened, proceedings, complaints, claims, disputes, investigations or charges relating to any alleged violation of any legal requirement pertaining to labor relations or employment matters relating to Station Employees or former Station Employees, including any charge or complaint filed with the National Labor Relations Board or any comparable Governmental Body, and there is no organizational activity or other labor dispute against or affecting Seller or the Facilities;

(f) Seller has not violated the Worker Adjustment and Retraining Notification Act (the “**WARN Act**”) or any similar state or local Legal Requirement, unless a violation is caused by the Buyer’s breach of Section 6.20 below. During the ninety (90) day period prior to the date of this Agreement, Seller has terminated two (2) employees.

(g) To the Knowledge of Seller, no officer, director, agent, employee, consultant, or contractor of Seller is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor (i) to engage in or continue or perform any conduct, activity, duties or practice relating to the business of Seller or (ii) to assign to Seller or to any other Person any rights to any invention, improvement, or discovery. No former or current employee of Seller is a party to, or is otherwise bound by, any Contract that in any way adversely affected, affects, or will affect the ability of Seller or Buyer to conduct the business as heretofore carried on by Seller.

(h) Seller has complied in all respects with all applicable Laws relating to employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, job classifications, benefits, collective bargaining and other requirements under applicable Law, the payment of social security and similar Taxes and occupational safety and health. Seller is not liable for the payment of any Taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing.

(i) To Seller’s Knowledge there has been no charge of discrimination filed against or threatened against Seller with the Equal Employment Opportunity Commission or similar Governmental Authority.

**4.23 Interested Transactions.** Except as set forth in **Schedule 4.23**, Seller is not a party to any Material Business Contract with any Affiliate of Seller, any Related Party of any Affiliate of Seller (other than as a member or employee of Seller), or any Person in which any of the foregoing (individually or in the aggregate) beneficially or legally owns, directly or indirectly, five percent (5%) or more of the equity or voting interests. Each Material Business Contract identified on **Schedule 4.23** was negotiated on an arm's length basis, contains pricing terms that reflected fair market value at the time entered into and otherwise contains terms and

conditions comparable to those customarily contained in similar transactions between unrelated parties. Except as described in **Schedule 4.23**, none of the Persons described in the first sentence of this Section 4.23 owns, or during the last three (3) years has owned, directly or indirectly, beneficially or legally, (individually or in the aggregate) five percent (5%) or more of the equity or voting interests of any Person that competes with the business of the Stations.

#### 4.24 Solvency.

(a) Seller is not now insolvent and will not be rendered insolvent by any of the transactions contemplated by this Agreement. As used in this section, “insolvent” means that the sum of the debts and other probable Liabilities of Seller exceeds the present fair saleable value of Seller’s assets.

(b) Immediately after giving effect to the consummation of the transactions contemplated by this Agreement: (i) Seller will be able to pay its Liabilities as they become due in the usual course of its business; (ii) Seller will not have unreasonably small capital with which to conduct its present or proposed business; (iii) Seller will have assets (calculated at fair market value) that exceed its Liabilities; and (iv) taking into account all pending and threatened litigation, final judgments against Seller in actions for money damages are not reasonably anticipated to be rendered at a time when, or in amounts such that, Seller will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum probable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered) as well as all other obligations of Seller. The cash available to Seller, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such debts and judgments promptly in accordance with their terms.

4.25 Brokers or Finders. Other than as set forth on **Schedule 4.25**, neither Seller nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders’ fees or agents’ commissions or other similar payments in connection with the sale of Seller’s business or the Assets or the Contemplated Transactions.

#### 4.26 Disclosure.

(a) No representation or warranty or other statement made by Seller in this Agreement, the Schedules, any supplement to the Schedules, or any Seller Other Agreement contains any untrue statement or intentionally omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

4.27 Limitations on Representations and Warranties. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUTURE FINANCIAL PERFORMANCE OR RESULTS OF THE OPERATIONS OF THE BUSINESS.

5. Representations and Warranties by Buyer. Buyer represents and warrants to Seller as follows:

5.1 Buyer's Organization. Buyer is a limited liability company duly organized and validly existing under the law of the state of Delaware and has the full power and authority to enter into and perform this Agreement. Buyer is duly qualified to transact business as a foreign limited liability company in good standing in the State of Oregon.

5.2 Authorization of Agreement. The execution, delivery and performance of this Agreement and the other agreements contemplated hereby to which Buyer is a party (the “**Buyer Other Agreements**”, and together with the Seller Other Agreements, the “**Other Agreements**”) by Buyer has been duly authorized by all necessary action of Buyer and this Agreement and the Buyer Other Agreements each constitutes a valid and binding obligation of Buyer enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Consents of Third Parties. The execution, delivery and performance of this Agreement and the Buyer Other Agreements by Buyer will not:

(a) conflict with Buyer's certificate of formation or limited liability company agreement and will not conflict with or result in the breach or termination of, or constitute a default under, any lease, agreement, commitment or other instrument, or any order, judgment or decree, to which Buyer is a party or by which Buyer is bound, subject to obtaining the Commission Consent; or

(b) constitute a violation by Buyer of any law applicable to it. No consent, approval or authorization of, or designation, declaration or filing with, any governmental authority is required on the part of Buyer in connection with the execution, delivery and performance of this Agreement, except for the filings referred to in Section 6.1 and except for the Commission Consent.

5.4 Litigation. There is no claim, litigation, proceeding or governmental investigation pending or, to Buyer's Knowledge, threatened, or any order, injunction or decree outstanding, against Buyer or any of its affiliates that would prevent the consummation of the transactions contemplated by this Agreement.

5.5 Buyer's Qualification. Buyer is legally, financially, and otherwise qualified, without the restructuring or divestiture of any interest now held by it or by its attributable principals, to be the licensee of, acquire, own and operate the Stations under the rules and regulations of the Commission and the Communications Laws. Buyer is not aware of any fact that would, under existing law, including the Communications Laws (a) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations or (b) cause the Commission to fail to approve in a timely fashion the application for the consent and approval of the Commission necessary for the consummation of the transactions described in this Agreement. No waiver of the Communications Laws is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to Buyer, nor will processing pursuant to any exception to any rule of general applicability be requested or required in connections with the consummation of the transactions contemplated by this Agreement.

5.6 Broker's Fees. Neither Buyer nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the purchase of Seller's business or the Assets or the Contemplated Transaction.

5.7 Available Funds. At Closing, upon receipt of the Financing, Buyer will have sufficient cash on hand to fund the consummation of the transactions contemplated by this Agreement, perform its obligations under this Agreement and satisfy all other costs and expenses arising in connection herewith.

5.8 Financing. Buyer has delivered to Seller true, correct and complete copies of commitment letters from (i) Bank of America, N.A. (the "**Lender**"; and such commitment letter, the "**Debt Commitment Letters**"), pursuant to which Lender has agreed, subject only to the terms and conditions set forth therein, to provide debt financing for the transactions contemplated by this Agreement (the "**Debt Financing**") and (ii) Heartland Media, LLC and MSouth Equity Fund II, L.P. (together, the "**Equity Investors**," and their commitment letters, together, the "**Equity Commitment Letters**," and together with the Debt Commitment Letters, the "**Commitment Letters**"), pursuant to which the Equity Investors have committed to invest in Buyer, subject only to the terms and conditions set forth therein, the amount set forth therein (the "**Equity Financing**," and together with the Debt Financing, and any alternative financing arrangements that Buyer pursues in accordance with Section 6.22, the "**Financing**"). As of the date hereof, the Commitment Letters (a) are in full force and effect without amendment or modification, (b) are the valid and binding obligations of the Buyer and, to the Buyer's Knowledge, each other party thereto, (c) include all material terms relating to the Financing, (d) have not been withdrawn or rescinded in any respect, and (e) all commitment fees required to be paid thereunder have been paid or will be paid in full when due. Except as set forth in the Commitment Letters, there are no other conditions to the consummation of the Financing and Buyer has no reason to believe that any condition to the Commitment Letters will not be satisfied or waived prior to the Closing Date.

5.9 No Other Seller Representations. Except for the specific representations and warranties expressly made by Seller in Article 4, (a) Buyer acknowledges and agrees that (i) neither Seller nor any of its Representatives is making or has made any representation or warranty, expressed or implied, at law or in equity, in respect of the Assets, the Liabilities, or business of the Stations, or the Stations' operations, prospects, or condition (financial or otherwise), including with respect to merchantability or fitness for any particular purpose of any Assets, the nature or extent of any Liabilities, the prospects of the Stations, the effectiveness or the success of the Stations or any operations thereof, or the accuracy or completeness of any confidential information memoranda, offering presentation, documents, projections, material or other information (financial or otherwise) regarding the Stations furnished to Buyer or its representatives or made available to Buyer and its representatives in any "data rooms," "virtual data rooms," offering presentations, management presentations or in any other form in expectation of, or in connection with, the transactions contemplated by this Agreement, or in respect of any other matter or thing whatsoever, and (ii) no Representative of Seller has any authority, express or implied, to make any representations, warranties or agreements not specifically set forth in this Agreement and subject to the limited remedies provided in this Agreement; (b) Buyer specifically disclaims that it is relying upon or has relied

upon any such other representations or warranties that may have been made by any Person, and acknowledges and agrees that Seller has specifically disclaimed and does hereby specifically disclaim any such other representation or warranty made by any Person; (c) Buyer specifically disclaims any obligation or duty by Seller or any person to make any disclosures of fact not required to be disclosed pursuant to the specific representations and warranties set forth in Article 4; and (d) Buyer is not relying on any representations or warranties of Seller, other than as set forth in Article 4 of this Agreement.

6. Further Agreements of the Parties.

6.1 Filings.

(a) As soon as practicable, but in no event later than five (5) business days after the date of this Agreement, the parties shall file with the Commission all necessary applications requesting Consent to the transactions contemplated by this Agreement (the “**Assignment Applications**”); the parties shall with due diligence take all reasonable steps necessary to expedite the processing of the Assignment Applications and to secure such Consent or approval, including the filing of all appropriate or necessary supplemental filings and amendments and vigorously contesting and opposing any petitions, objections, challenges or requests for reconsideration thereof. Seller shall, to the extent reasonably requested by the Commission enter into tolling and/or escrow agreements necessary to obtain grant of the Assignment Applications. No party hereto shall take any action not contemplated by this Agreement that such party Knows or should Know would adversely affect obtaining the Commission Consent or adversely affect the Commission Consent becoming a Final Order, other than disclosure or similar obligation required by applicable Law. Each party shall promptly provide the other party with true, correct and complete copies of all pleadings, orders, filings or other documents served on them related to the Assignment Applications or the Commission Consent. Prior to submitting or making any such correspondence, filing or communication to the Commission or members of its staff, the parties shall first provide the other party with a copy of such correspondence, filing or communication in draft form and give such other party a reasonable opportunity to discuss its content before it is submitted or filed with the Commission and shall consider and take account of all reasonable comments timely made by the other party with respect thereto. To the extent permitted by applicable Law, each of the parties shall ensure that the other party is given the opportunity to attend any meetings with or other appearances before the Commission with respect to the transactions contemplated by this Agreement. The terms “**Consent**” or “**Commission Consent**” shall mean the action by the Commission or its staff, acting pursuant to delegated authority, granting its consent to the assignment of the FCC Licenses as contemplated by this Agreement. Each party shall bear its own costs and expenses (including the fees and disbursements of its counsel) in connection with the preparation of the portion of the Assignment Applications to be prepared by it and in connection with the processing thereof. Except as required by any escrow agreement that Seller may be required to enter into with the Commission, neither Buyer nor Seller shall be required to post any bond or make any escrow deposit with the Commission in connection with obtaining the Commission Consent. All filing and grant fees, if any, paid to the Commission, shall be advanced equally, one-half (1/2) by Buyer, on the one hand, and one-half (1/2) by Seller, on the other.

(b) The FCC Licenses of the Stations expire on the dates corresponding thereto as set forth in **Schedule 1.1(a)**. If, at any point prior to Closing, an application for the renewal of any FCC License (a “**Renewal Application**”) must be filed pursuant to the Communications Laws, Seller shall timely execute, file and prosecute with the FCC such Renewal Application in accordance with this Section 6.1(b) hereof. Seller shall cause all required pre-filing and post-filing announcements of a Renewal Application to be broadcast at the times required by the Commission’s rules. If the FCC Application is granted by the FCC subject to a renewal condition, then, without limitation of Sections 6.1(a) or 6.1(b), the term “Commission Consent” shall be deemed to also include the satisfaction of such renewal condition. Buyer acknowledges that, to the extent reasonably necessary to expedite grant by the FCC of any Renewal Application and thereby to facilitate grant of the FCC Application, Seller, without regard to the application of the FCC Renewal Policy, shall be permitted to enter into tolling, assignment and assumption or similar agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against the Stations in connection with (i) any pending complaints that the Stations aired programming that contained obscene, indecent or profane material, or (ii) any other enforcement matters against the Stations with respect to which the FCC may permit Seller to enter into a tolling agreement; and, if and to the extent required by the FCC, Buyer agrees to become a party to and to execute such agreements subject to the indemnification obligation of Seller in respect of Retained Liabilities. Buyer and Seller shall consult in good faith with each other prior to Seller entering into any such tolling agreement under this Section 6.1(b).

6.2 Operations of the Stations. From the date of this Agreement through the Closing:

(a) Seller shall operate the business of the Stations in the usual and ordinary course and consistent with past practices and in conformity and compliance in all Material respects with (i) the FCC Licenses, the Communications Laws, and (ii) all other Laws or orders relating to the Stations and Seller shall 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;

(b) Seller shall use commercially reasonable efforts, consistent with its past practices, (i) to preserve the business organization of the Stations intact and to preserve the goodwill and business of the advertisers, suppliers and others having business relations with the Stations, (ii) to retain the services of the employees of the Stations, and (iii) to preserve all Station Intellectual Property;

(c) Seller shall not, except with Buyer's prior approval, which shall not be unreasonably withheld, delayed or conditioned, except in the ordinary course and substantially consistent with past practice, (i) enter into any transaction or incur any Liability or obligation that is Material to the business or operations of the Stations or (ii) sell or transfer any of the Assets relating to the Stations, other than Assets that have worn out or been replaced, with other Assets of equal or greater value;



(d) Seller shall not, except with Buyer's prior approval, which shall not be unreasonably withheld, delayed or conditioned, (i) enter into or renew any lease, commitment or other agreement relating to the Stations that, (A) if entered into prior to the date of this Agreement, would have been required to be included on **Schedule 4.21** (or that would require receipt of a consent or approval required to be included on **Schedule 4.3**), and (B) would create a Liability after the Closing Date of \$25,000 or more individually or \$50,000 or more in the aggregate, (ii) enter into any new time sale agreement for the Stations except in the ordinary course of business for cash, barter or trade and consistent with past practices, (iii) cause or take any action to allow any Material Contract to lapse (other than in accordance with its terms), to be modified in any Materially adverse respect, or otherwise to become impaired in any Material manner, except in the ordinary course of business, (iv) enter into any contract of employment, (v) grant or agree to grant any general increases in the rates of salaries or compensation payable to Station Employees other than in accordance with past practice, (vi) grant or agree to grant any specific bonus or increase to any Station Employees other than in the ordinary course and in accordance with past practice, or (vii) increase benefits under, or establish any new bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, option (including the granting, modification or acceleration of options or performance awards), or other Employee Benefit Plan (except to the extent necessary to comply with applicable Law or this Agreement or as provided under such Employee Benefit Plan) or amend or modify any Employee Benefit Plan (except to the extent necessary to comply with applicable Law or this Agreement);

(e) Seller shall use commercially reasonable efforts to (i) maintain all of the Improvements and the tangible Personal Property in adequate repair, maintenance and condition, given the age of such Improvements and property and the use to which such Improvements and property are put and except to the extent of normal wear and tear, and repair or replace, consistently with past practice, any Improvements and tangible Personal Property that may be damaged or destroyed, and (ii) maintain or cause to be maintained insurance on the Assets and the business of the Stations as described in Section 4.15;

(f) Seller shall confer on a regular basis with Buyer to report Material operational matters and to report the general status of ongoing operations of the Stations and Seller shall promptly notify Buyer in writing of any Material Adverse Change with respect to the Assets or the business of the Stations, or any condition or event that may reasonably be expected to result in a Material Adverse Change with respect to the Assets or the business of the Stations, of which it is aware;

(g) Seller shall not, except with Buyer's prior approval, which will not be unreasonably withheld, delayed or conditioned, make any agreement or commitment that will result in or cause to occur a Default of any of the items contained in paragraphs (a) through (f) above;

(h) Seller shall give Buyer prompt written notice of the occurrence of any of the following: (A) a loss, taking, condemnation, damage or destruction of or to any of the Assets involving in excess of \$25,000; (B) the commencement of any Material proceeding or litigation at law or in equity or before the Commission or any other Governmental Authority that involves the FCC Licenses, other than proceedings or litigation of general applicability to the

television broadcasting industry; (C) any Material labor grievance, strike, or other Material labor dispute; (D) any Material violation by Seller of any Law; or (E) any Material breach, default, claimed default or termination of any Material Business Contract;

(i) Seller and Buyer shall promptly notify the other(s) in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining, enjoining or challenging the consummation of this Agreement or the transactions contemplated hereunder (including challenges to the Assignment Application), or upon receiving any notice from any Governmental Authority of its intention to institute an investigation into, or institute a suit or proceeding to restrain or enjoin the consummation of this Agreement or the transactions contemplated hereby;

(j) Seller shall each use commercially reasonable efforts to contest, defend and resolve any such suit, proceeding or injunction brought against it so as to permit the prompt consummation of the transactions contemplated hereby; provided that such efforts shall not require Seller to expend more than \$25,000 and shall not limit the termination rights set forth in Section 10 of this Agreement;

(k) Seller shall use commercially reasonable efforts to protect the present service areas of the Stations from increased electrical interference from another broadcast station, existing or proposed, and exercise commercially reasonable efforts to maintain carriage of the Stations' signals on all cable systems on which they are entitled to carriage; and

(l) Seller shall promptly provide Buyer with copies of all correspondence received after the date hereof with cable and DBS systems to and from Seller with regard to the Stations concerning must carry status, retransmission consent and other matters arising under the Cable Act, the Satellite Home Viewer Extension and Reauthorization Act of 2004, as amended ("SHVERA"), and any successor statutes to SHVERA, and keep Buyer advised of the status of Material developments in all negotiations by Seller with cable and DBS systems concerning such matters related to the Stations.

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

(n) except as set forth on **Schedule 6.2(n)**, Seller shall not make or agree or commit to make any capital expenditure greater than \$10,000 in connection with any particular project relating to a Station, or greater than \$25,000 in the aggregate;

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

(p) Seller shall not enter into or become obligated under any new Contract which would be required to be listed on **Schedule 4.21** by virtue of Section 4.21 hereof or amend, modify, terminate or waive any material right under any Material Business Contract, Retransmission Agreement or Contract with a Material Advertiser. Contract (including any Lease, Real Property Lease or employment Contract), other than as expressly permitted hereunder;

(q) Seller shall 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;

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

(s) Seller shall not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses, except with Buyer's prior written approval, which shall not be unreasonably withheld, delayed or conditioned.

6.3 No Control. Between the date of this Agreement and the Closing, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operations of the Stations, but such operations shall be solely the responsibility of Seller and, subject to the provisions of Section 6.2, shall be in its complete discretion.

6.4 Expenses. Each party shall bear its own expenses incurred in connection with the negotiation and preparation of this Agreement and in connection with all obligations required to be performed by it under this Agreement, except where specific expenses have been otherwise allocated by this Agreement.

6.5 Access to Information.

(a) Prior to the Closing and for one year following the Closing Date, Buyer and its representatives may make such investigation of the property, assets and businesses of the Stations as it and they may desire, and Seller shall give to Buyer and to its counsel, accountants and other representatives, upon reasonable notice, full access during normal business hours throughout the period prior to the Closing to all of the assets, books, commitments, agreements, records and files of Seller relating to the Stations and Seller shall furnish to Buyer during that period all documents and copies of documents and information concerning the businesses and affairs of the Stations as Buyer reasonably may request. Seller shall also allow and arrange for Buyer and its designees reasonable access, upon reasonable notice and during normal business hours, to consult and meet with Seller and its officers, directors, and managers and the employees, attorneys, accountants and other agents of Seller with respect to the Stations; provided, that the foregoing do not unreasonably disrupt the business of the Seller. Except as expressly provided herein, neither the Buyer nor any of its agents or representatives shall contact in any manner whatsoever any of the Seller's or the Stations' employees, customers, suppliers or others having business dealings with the Seller or the Stations, without the express prior written consent of the Seller. In addition, prior to the Closing, Seller shall obtain confidential information about Buyer generally as well as about the terms of this transaction.

(b) Buyer acknowledge and agrees that it is bound by the Non-Disclosure Agreement by and between Seller and Patrick Communications, LLC, Buyer's broker, dated November 5, 2013, acting on behalf of Chambers Communications Corp., Buyer's parent (the "**Non-Disclosure Agreement**"), with respect to confidential information regarding the Stations which is disclosed to Buyer by Patrick Communications, LLC or by Seller, and that until the Closing such Non-Disclosure Agreement shall continue in full force and effect in

accordance with its terms, including, without limitation, with respect to any Evaluation Materials (as defined in the Non-Disclosure Agreement) provided by the Seller to the Buyer pursuant to Section 6.5 of this Agreement or otherwise.

6.6 Consents; Assignment of Agreements. Seller shall use commercially reasonable efforts to obtain at the earliest practicable date all consents and approvals listed on **Schedule 4.10(i)**, **Schedule 4.21(g)** or required for the assignment of any Licenses listed on **Schedule 1.1(a)**. If, with respect to any Contract, Lease or License to be assigned to Buyer, a required consent to the assignment is not obtained by the Closing, and, then unless Buyer otherwise consents, such Contract, Lease or License shall not be assigned to Buyer at Closing. Notwithstanding anything to the contrary contained herein, with respect to any consent not received by Buyer prior to Closing, Seller shall use commercially reasonable efforts to keep it in effect and give Buyer the benefit of such Contract, Lease or, to the extent legally permitted to do so, such License to the same extent as if it had been assigned, and Buyer shall perform Seller's obligations attributable to the period on or after the Effective Time under the agreement relating to the benefit obtained by Buyer. Nothing in this Agreement shall be construed as an attempt to assign any Contract, Lease or License that is by its terms nonassignable without the consent of the other party. Promptly after receipt of any such consent or approval after the Closing, Seller shall assign such Contract, Lease and/or License to Buyer and Buyer shall assume such Contract, Lease and/or License from Seller.

6.7 Recording Fees. Buyer shall pay recording fees payable in connection with the sale of the Assets.

6.8 Employees and Employee Benefit Matters.

(a) Buyer shall offer employment as of the Closing Date to all Station Employees, other than those Station Employees listed on **Schedule 6.8(a)**. As of the Closing Date, Buyer shall employ each such Station Employee who accepts Buyer's offer of employment ("**Transferred Employees**") at a salary or hourly rate and, if applicable, commissions that are no less than the salary, hourly rate, or commission rate as in effect as of the Closing Date. Each Transferred Employee shall be employed on such other terms and conditions as in effect immediately prior to the Closing Date and with employee benefits (including benefits of the type described in Section 3(1) of ERISA) that are comparable to those provided to similarly situated employees of the Buyer. Buyer shall provide each Transferred Employee credit for years of service with the Seller (or their Affiliates) prior to the Closing, identified in **Schedule 4.22(a)** and updated at Closing, for the purpose of eligibility, vesting and benefit accrual (but not for purposes of benefit entitlement under any defined benefit plans) under Buyer's health, vacation, severance, sick leave and other employee benefit plans and policies. Notwithstanding anything to the contrary herein, unless employed pursuant to a written agreement which expressly provides that his/her employment with Buyer is not terminable at will, each Transferred Employee shall be an employee at will of the Buyer, and nothing in this Section or elsewhere in this Agreement shall guarantee employment with the Buyer for any period of time. This Section 6.8 will operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other Person or entity, including any Transferred Employee or any other employee or former employee of the Seller or the Stations who performs or performed services in connection with the operation of the Stations.

(b) Without limiting the scope of Section 6.8(a), Buyer shall cause each Transferred Employee (and his or her eligible dependents) to be covered immediately following the Closing, by a group health plan that provides health benefits (within the meaning of Section 5000(b)(1) of the Internal Revenue Code) on terms and conditions that are comparable to those provided to similarly situated employees of the Buyer. In each of the preceding cases, such applicable offered group health plan will not limit or exclude coverage on the basis of any preexisting condition of such Transferred Employee or his or her dependents. If requested by Buyer, Seller shall fully cooperate and provide reasonable assistance to Buyer with respect to any assumption of sponsorship or duplication by Buyer of any Employee Benefit Plan (or any insurance contract related thereto) providing benefits to Transferred Employees, including facilitating contact with such third parties as Buyer deems necessary or appropriate. Nothing herein shall require Buyer to assume, sponsor, continue or otherwise duplicate any Employee Benefit Plan.

(c) Buyer shall allow any Transferred Employee with accrued but unused paid time off, as identified in **Schedule 4.22(a)** and updated at Closing, to carry over such accrued paid time off, or to receive payment thereof upon termination of employment to the extent credited by Seller, on terms not less favorable than under Seller's policy as provided in Seller's Employee Handbook.

(d) As of the Closing Date, Buyer shall assume full responsibility and liability for providing continuation coverage under Section 4980B of the Code with respect to each covered employee, each M&A qualified beneficiary and each other qualified beneficiary thereof who incurs a "qualifying event" (within the meaning of Section 4980B of the Code) on or prior to the Closing Date or is receiving continuation coverage on the Closing Date, provided that each such individual is, or has a qualifying event in connection with, a covered employee whose last employment prior to the qualifying event was associated exclusively with the Stations. For purposes of this Section, each employee of the Seller who experiences a loss of health care coverage as the result of the transactions contemplated by this Agreement together with his or her spouse and dependents, if any shall be deemed eligible for continuation coverage as provided herein, provided, however, that Buyer shall have no responsibility for offering or providing continuation coverage with respect to any shared services employee of Seller.

(e) Effective as of the Closing Date, Buyer shall have in effect a tax-qualified defined contribution plan or plans which include a qualified cash or deferred arrangement within the meaning of section 401(k) of the Code ("**Buyer's 401(k) Plan**"). Immediately prior to the Closing Date, the Seller shall cause all of the account balances of the Transferred Employees under the Seller's 401(k) Plan ("**Seller's 401(k) Plan**") to become fully vested. Seller shall take such actions as may be reasonably necessary to provide that a severance from employment does not result in an automatic 401(k) loan default for any Transferred Employee to the extent that such Transferred Employees receives a distribution of his or her 401(k) account balance and rolls over such balance to Buyer's 401(k) Plan (including any outstanding loans, which will be permitted by Buyer's 401(k) plan), provided that such rollover to Buyer's 401(k) Plan is completed prior to the last day of the quarter immediately following the Closing Date and in accordance with applicable Law.

(f) 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 Benefit Plans by such Employees or their covered dependents prior to the Closing Date.

#### 6.9 Further Assurances.

(a) At any time and from time to time after the Closing, each of the parties shall, without further consideration, execute and deliver to the other such additional instruments and shall take such other action as the other may reasonably request to carry out the transactions contemplated by this Agreement. Until the expiration of all applicable statutes of limitation after the Closing, each party shall grant the other reasonable access during normal business hours upon reasonable prior notice to the books and records of that party for the purpose of complying with any applicable Law or request relating to the period during which the other party operated the Stations or as otherwise reasonably required. From and after the Closing, the Buyer shall preserve, for a period of six years from the original date of creation, all books and records of the Seller that are in Buyer's possession relating to the period prior to the Closing. From and after the Closing, Buyer and the Seller shall afford to each other, and their respective counsel, accountants and other authorized agents and representatives, during normal business hours reasonable access to the employees, books, records and other data relating to the Stations in its possession with respect to periods prior to the Closing, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the requesting party (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such party or Person or its Affiliates, and (b) for the preparation of Tax Returns and audits. Buyer shall not dispose of, alter or destroy any such materials without giving 45 days' prior written notice to the Seller so that the Seller may, at Seller's expense, examine, make copies or take possession of such materials.

(b) If the Closing shall not have occurred for any reason within the original time period for consummating the assignment of the FCC Licenses pursuant to the Commission Consent, and no party shall have terminated this Agreement, then Seller, upon notification to Buyer, shall file with the Commission a request for automatic extension of the time period for consummating the assignment of the FCC Licenses. If further extensions of time to consummate the assignment of the FCC Licenses pursuant to Commission Consent are required after any and all automatic extensions are granted, such requests for extension of time shall be filed by Seller and Buyer, jointly. No extension of the time period for consummating the assignment of the FCC Licenses pursuant to the Commission Consent shall limit the exercise any party of any right such party may have to terminate the Agreement.

6.10 Additional Financial Statements. Seller shall promptly deliver to Buyer copies of all monthly, quarterly or annual financial statements and weekly pacing reports relating to the Stations that may be prepared by it during the period from the date of this Agreement to the Closing Date. All financial statements delivered pursuant to this Section 6.10 shall be in accordance with the books and records of the Stations. At a minimum, Seller shall prepare monthly unaudited balance sheets and income statements, to be delivered to Buyer by 45 days after the end of the month to which such statements relate and weekly pacing reports to be delivered by Seller to Buyer by the third (3<sup>rd</sup>) day following the end of each broadcast week.

6.11 Other Action. Each of the parties to this Agreement shall use its commercially reasonable efforts consistent with this Agreement to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of the parties to consummate the sale and purchase under this Agreement. Buyer shall use commercially reasonable efforts to obtain the funds to pay the Purchase Price at Closing.

6.12 Non-Competition and Non-Solicitation Agreement. At Closing, Seller shall enter into a Non-Competition and Non-Solicitation Agreement, substantially in the form of **Exhibit 6.12** (the “**Non-Competition Agreement**”).

6.13 Schedules. Ten (10) business days before the Closing Date, Seller shall be obligated to supplement any of the Schedules contained in Section 4 hereof with respect to any matter arising after the date hereof that, if existing or occurring on the date of this Agreement, would have been required to be set forth or described in such Schedules provided, however, that if an event occurs or a matter arises related to any representation or warranty made by Seller in Section 4 hereof that Seller reasonably believes has or will result in a Material Adverse Effect, Seller will promptly provide written notice to Buyer and will promptly update all relevant Schedules relating to such event or matter. No such supplement shall be deemed to modify the representations or warranties contained in Section 4 or to modify the Schedules as they existed as of the date hereof or on the Closing Date for purposes of any indemnification claims pursuant to Article 9. In the event that Seller delivers updated Schedules after the date that is ten (10) business days prior to Closing, Buyer may unilaterally extend the Closing Date if necessary to allow Buyer ten (10) business days to review such supplements to the schedules prior to the Closing Date. Notwithstanding the foregoing, the survival of the representations and warranties and the indemnification rights set forth in Article 9 shall in no event be affected by any supplement, investigation, inquiry or examination made for or on behalf of any party, or the knowledge of any party’s officers, directors, members, stockholders, employees or agents or the acceptance by any party of any certificate or opinion hereunder.

6.14 Other Offers and Exclusive Dealing.

(a) Unless and until this Agreement is terminated prior to Closing pursuant to Section 10, Seller, acting in any capacity, will neither directly nor indirectly, through any officer, director, manager, member, employee, agent or otherwise (A) solicit, initiate, encourage or entertain submission of proposals or offers from any Person relating to (i) any purchase of the Assets or any portion thereof, other than in the ordinary course of business and other than disposal of equipment no longer used in the operation of the Stations, (ii) any merger, sale of substantial assets relating to the Stations, or sale of stock of Seller if the survivor of such merger or acquirer of such stock or assets would not be bound by the terms of this Agreement, (iii) any time brokerage, local marketing, outsourcing, joint sales, shared services, management, marketing or other similar agreement or arrangement related to the Stations, or (iv) any similar transaction involving Seller with respect to the Stations, (B) participate in any discussions or negotiations regarding, or, except as required by a legal or judicial process, furnish to any other Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to consummate any of the transactions described in clauses (A)(i) through (iv) above involving Seller, or (C) approve or undertake any such transaction.

(b) Until the earlier of (i) the date on which Commission Consent becomes a Final Order, or (ii) the termination of this Agreement prior to Closing pursuant to Section 10, Buyer, acting in any capacity, will neither directly nor indirectly, through any officer, director, manager, member, employee, agent, affiliate or otherwise (A) solicit, initiate, encourage or entertain proposals or offers to or from any Person relating to (i) the purchase of a full-power television station located in the Designated Market Area (as determined by Nielsen Media Research) that includes Eugene, Oregon, Medford, Oregon or Klamath Falls, Oregon (an "In-Market Station"), (ii) any time brokerage, local marketing, outsourcing, joint sales, shared services, management, marketing or other similar agreement or arrangement with an In-Market Station, or (iii) any similar transaction involving Buyer, or an affiliate of Buyer, and an In-Market Station, (B) participate in any discussions or negotiations regarding, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to consummate any of the transactions described in clauses (A)(i) through (iii) above involving Buyer, or (C) approve or undertake any such transaction.

#### 6.15 Certain Tax Matters.

(a) Seller shall file all Tax Returns required to be filed by it on or before the Closing Date.

(b) Buyer, on the one hand, and Seller, on the other hand, shall provide the other parties to this Agreement, at the expense of the requesting party, with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax Return, any audit or other examination by any Governmental Authority, or any judicial or administrative proceedings relating to Liability for Taxes.

6.16 Consummation of Transactions; Closing Conditions. Subject to the terms and conditions herein provided, each of the parties hereto agrees to take, or cause to be taken, all commercially reasonable actions to consummate the transactions contemplated by this Agreement and to satisfy the conditions precedent to Closing set forth in Section 7 of this Agreement.

6.17 Delivery of Books and Records. Seller shall deliver to Buyer at the Closing all original documents, books and records pertaining to the business of the Stations (except minute books and stock records) and to the Assets that are legally significant or useful to the business of the Stations and shall deliver copies of all other documents, books and records pertaining to the business of the Stations and to the Assets. Seller may retain copies of any of the foregoing for its own use. Without limiting the generality of the foregoing, Seller shall deliver to Buyer at the Closing all documents and records relating to the Station Intellectual Property, including the original Certificates of Registration for all letters patent trademarks and service marks included within the Registered Station Intellectual Property listed on **Schedule 4.12** and all such documents relating thereto along with any other documents necessary to transfer title thereto and to record such transfer before the respective patent and trademark offices or similar Governmental Authorities.

6.18 Title Search; Discharge of Liens; Title Insurance. At or prior to Closing, Seller shall use commercially reasonable efforts to discharge all Liens other than Permitted



Liens. Seller has provided to Buyer Lien searches (and shall provide updated searches through a date not more than ten (10) days prior to the Closing Date) of filings made pursuant to Article 9 of the Uniform Commercial Code, tax liens and judgment liens in all jurisdictions where Seller has any Assets. Seller shall deliver to Buyer, within 30 days of the date of this Agreement, title commitments for owner's title insurance policies on (i) the Owned Real Property and (ii) Leased Real Property that are leased and identified on **Schedule 4.10(a)** sufficient in form to allow Buyer to obtain, at Buyer's sole cost and expense, a standard form of, (a) commitments for owner's title insurance policies on the Owned Real Property and commitments for lessee's title insurance policies for the Leased Real Property identified in **Schedule 6.18** (collectively the **"Title Commitments"**), and (b) an ALTA survey on each parcel of Owned Real Property the **"Surveys"**). The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring good, marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Owned Real Property and the Leased Real Property which is listed in **Schedule 6.18** subject to Permitted Liens and the Assumed Liabilities, for such amount as Buyer reasonably directs. Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments and Surveys, provided that, Seller shall not be required to incur any cost, expense or other liability in connection therewith. If the Title Commitments or Surveys reveal any Lien on the title other than Assumed Liabilities or Permitted Liens, Buyer shall notify Seller in writing of such Liens within five (5) days of Buyer's receipt of a title commitment disclosing a lien which is not an Assumed Liability or Permitted Lien, and Seller agrees to use commercially reasonable efforts prior to Closing to attempt to remove such Lien as required pursuant to the terms of this Agreement; provided, however, with respect to the Leased Real Property, Seller shall have no obligation to undertake to remove any Lien encumbering the fee interest to any Leased Real Property nor shall Seller have any obligation to obtain any subordination agreement or other instrument from the holder of any such liens. Notwithstanding anything to the contrary contained herein, Seller shall not be required to deliver any instrument or affidavit to the extent such instrument or affidavit would expand the representations and warranties of Seller in Section 4.10 hereof or its obligations, if any, to indemnify the Buyer Indemnified Parties for a breach of such representations or warranties pursuant to this Agreement, and any exceptions resulting therefrom in the Title Commitments shall not constitute or be deemed a failure by Seller to satisfy its obligations under this Section 6.17 with respect to the deliverable condition of the Title Commitments.

#### 6.19 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 Closing 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 Closing 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 Closing 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 Closing 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 Stations who are not Transferred Employees. Seller shall, as soon as practicable after the Closing 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 6.19(c).

6.20 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 WARN Act or any similar state or local Law, or to create any liability to Seller for any employment terminations under applicable Law. Notwithstanding anything in this Agreement to the contrary, Assumed Liabilities assumed by Buyer 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 6.8 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.

6.21 Qualification and Existence.

(a) Each of KEZI and Soda Mountain shall deliver to Buyer a certificate of the Secretary of State of the State of Oregon, dated not more than ten (10) business days before the Closing Date, stating that each Seller is a corporation legally existing under the laws of such state. Soda Mountain shall also deliver to Buyer a certificate of the appropriate officials of the State of California, dated not more than ten (10) business days before the Closing Date, stating that Soda Mountain is duly qualified and in good standing to transact business as a foreign corporation as stated in Section 4.1 of this Agreement in the State of California.

(b) Buyer shall deliver to Seller a certificate of the Secretary of State of the State of Delaware, dated not more than ten (10) days before the Closing Date, stating that Buyer is a limited liability company in existence under the laws of such state and a certificate of the Secretary of State of the State of Oregon, dated not more than ten (10) days before the

Closing Date, stating that Buyer duly qualified and in good standing to transact business as a foreign limited liability company in the State of Oregon.

#### 6.22 Financing.

(a) Buyer shall use commercially reasonable efforts to (i) arrange and obtain the Financing on the terms and conditions described in the Commitment Letters; (ii) negotiate and finalize definitive agreements with respect thereto on the terms and conditions contained in the Commitment Letters; (iii) satisfy on a timely basis all conditions applicable to Buyer or the Stations in such definitive agreements that are within its control; (iv) consummate the Financing no later than the Closing Date; and (v) enforce its rights under the Commitment Letters in the event of a breach by the Financing Sources that impedes or delays the Closing. Notwithstanding the foregoing: (x) Buyer shall not be prohibited from obtaining and consummating financing on terms other than those contemplated by the Commitment Letters; (y) Buyer shall not be obligated to accept any Material terms set forth in the definitive agreements for the Debt Financing that contradict material terms set forth in the Debt Commitment Letter and (z) Buyer shall not be obligated to seek specific enforcement of, or commence or initiate litigation against any lender to enforce the terms of the Debt Commitment Letter or any alternative financing commitment.

(b) In the event that one or more of the Commitment Letters is terminated before the Closing Date, Buyer shall promptly deliver a written notice of such fact to Seller (the “**Financing Termination Notice**”). Upon receipt of a Financing Termination Notice, Buyer shall use commercially reasonable efforts to obtain alternative financing from alternative sources, on terms, reasonably acceptable to Buyer and that Buyer does not reasonably expect to materially delay the consummation of the transactions contemplated by this Agreement; provided, further that in no event shall Buyer be obligated to accept any alternative financing with pricing terms that are more than ten percent (10%) higher (on a yield to maturity basis) in the aggregate (inclusive of interest rate, commitment or unused facility fees and other economic terms), or other material terms and conditions that are materially less favorable to Buyer, in each case than those set forth in the original Commitment Letters. If Buyer is successful in obtaining such alternative financing, Buyer shall inform Seller of such fact by delivering written notice to Seller (the “**Alternative Financing Notice**”). If Buyer has not delivered the Alternative Financing Notice to Seller by the sixtieth (60th) day following the date of delivery to Seller of the Financing Termination Notice or such later date as agreed to in writing by the parties, Seller may terminate this Agreement upon three (3) Business Days prior written notice to Buyer without any liability to Seller, so long as no Alternative Financing Notice is received by Seller prior to the effective date of such termination; provided, however, that nothing in this Section 6.22 shall be deemed to affect any party’s right to terminate this Agreement pursuant to Section 10.1.

(c) Seller acknowledges that Buyer’s financing sources may require financial statements and information related to Seller required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations. Seller shall provide such documentation in connection with the arrangement of Financing as is required by regulatory authorities in accordance with applicable law. If Seller fails to provide such documentation and if the failure is the sole cause which prevents Buyer from obtaining the

financing, then Buyer shall not be deemed to be in breach of its obligations under Section 6.22(b) of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, each of the parties hereto: (i) agrees that it will not bring or support any person or entity, or permit any of its affiliates to bring or support any person or entity, in any action, suit, proceeding, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any person or entity that has committed or subsequently commits to provide or otherwise enters into agreements in connection with providing debt financing to Purchaser or any of its affiliates (the “**Financing Sources**,” which defined term for the purposes of this provision shall include the Lender and its respective former, current and future affiliates, equityholders, members, partners, controlling persons, officers, directors, employees, agents, advisors and representatives involved in such debt financing) in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including, but not limited to, any dispute arising out of or relating in any way to the Debt Commitment Letter and any fee letter related thereto or the performance thereof or the financings contemplated thereby, in any forum other than the federal and New York State courts located in the Borough of Manhattan within the City of New York; (ii) agrees that, except as specifically set forth in the Debt Commitment Letter, all claims or causes of action (whether at law, in equity, in contract, in tort or otherwise) against any of the Financing Sources in any way relating to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, shall be exclusively governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to principles or rules of conflict of laws to the extent such principles or rules would require or permit the application of laws of another jurisdiction; and (iii) hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation (whether at law or in equity, in contract, in tort or otherwise) directly or indirectly arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby.

(e) Notwithstanding anything to the contrary contained in this Agreement, (i) the Seller and its subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders shall not have any rights or claims against any Financing Source in any way relating to this Agreement or any of the transactions contemplated by this Agreement, or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or in equity, in contract, in tort or otherwise and (ii) no Financing Source shall have any liability (whether in contract, in tort or otherwise) to Seller, any equityholders of Seller or their respective subsidiaries, Affiliates, directors, officers, employees, agents, partners, managers, members or stockholders for any obligations or liabilities of any party hereto under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or in equity, in contract, in tort or otherwise.

(f) Notwithstanding anything to the contrary contained in this Agreement, the Financing Sources are intended third-party beneficiaries of, and shall be entitled to the protections of this provision to the same extent as if the Financing Sources were parties to this Agreement. Section 6.22(d), Section 6.22(e) and Section 6.22(f) may not be amended, modified or supplemented, or any of its provisions waived, without the written consent of the Lender which consent may be granted or withheld in the sole discretion of the Lender.

6.23 Copy of Virtual Data Room and Electronic Files. As soon as practicable after the Closing Date, but in no event later than thirty (30) days after the Closing Date, Seller will deliver to Buyer (a) on one or more USB electronic storage devices, a complete and accurate (as of the Closing Date) electronic copy of its virtual data room (“VDR”) set up with respect to the transactions contemplated by this Agreement, and (b) a certificate executed by the administrator of such VDR, dated as of the Closing Date, certifying, on behalf of Seller, to the best of his or her knowledge, that the content of such device represents a complete and accurate (as of the Closing Date) electronic copy of the VDR. Through the date such delivery is made, Seller will cause the providers of its VDR to continue to provide Buyer and its representatives with access thereto. Seller makes no representation or warranty of any kind, express or implied, regarding the validity, accuracy or completeness of any information in its VDR or the electronic copy of its VDR except for the representations and warranties set forth in this Agreement; provided, however, to the extent this Agreement or the Schedules makes reference to an item that is provided in the VDR, Buyer shall be entitled to rely on the copy therein as a valid, true, accurate and complete copy thereof.

6.24 Transition Services. Seller will provide transition services to Buyer pursuant to a transition services agreement substantially in the form attached hereto as **Exhibit 6.24** (the “**Transition Services Agreement**”) for the periods after the Closing Date specified in the Transition Services Agreement (or, if Buyer elects by providing written notice to Seller, such shorter period set forth in the written notice to Seller).

6.25 KEZI Lease Agreement. Seller will provide Buyer studio and office space in the Chambers Media Center building, located at 2975 Chad Drive, Eugene, Oregon pursuant to a lease agreement substantially in the form attached hereto as **Exhibit 6.25** (the “**KEZI Lease Agreement**”).

## 7. Conditions Precedent to Closing.

7.1 Conditions Precedent to the Obligations of Buyer. Buyer's obligation to consummate the purchase under this Agreement is subject to the fulfillment, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing by Buyer):

(a) all representations and warranties of the Seller contained in this Agreement (disregarding, for the purposes of this Section 7.1, any qualifications regarding Materiality or Material Adverse Effect) shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such date only) except for changes which are permitted or

contemplated pursuant to this Agreement or specifically consented to by the Buyer in writing; or to the extent that the failure of the representations and warranties of the Seller contained in this Agreement to be true and correct at and as of the Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not, individually or in the aggregate, reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) Seller shall have performed and complied in all Material respects with each obligation, covenant and condition required by this Agreement to be performed or complied with by it prior to or at the Closing, including the documents and instruments required to be delivered by Seller under Section 8;

(c) the Commission Consent (i) shall have been obtained; (ii) shall be in full force and effect; and (iii) shall not be subject to any condition or qualification Materially adverse to Buyer or the operations of the Stations, other than conditions that may be imposed by reason of circumstances or actions of Buyer that constitute a breach of its representations, warranties and covenants under this Agreement; and (iv) shall have become a Final Order (as defined below);

(d) Seller shall have duly received, without any condition Materially adverse to Buyer, all consents and approvals referred to in **Schedule 7.1(d)**;

(e) there shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or proceeding against the consummation of the transactions contemplated by this Agreement;

(f) since the date of this Agreement, no event, circumstance or condition has occurred with respect to the business of the Stations or the Assets which has had or is reasonably expected to have a Material Adverse Effect;

(g) Buyer shall have been furnished with a certificate of an officer or manager of Seller, dated the Closing Date, in form and substance satisfactory to Buyer, certifying to the fulfillment of the conditions set forth in Sections 7.1(a) and (b) and (f);

(h) Seller shall have delivered to Buyer an incumbency certificate or certificates dated the Closing Date certifying the incumbency of all officers and managers of Seller who have executed this Agreement or any of the Seller Other Agreements, which certificates shall contain specimens of the signatures of each of such officers and shall be executed by an officer or manager of Seller other than an officer or manager whose incumbency or authority is certified;

(i) Buyer shall have received an executed and attested special warranty deed in commercially reasonable and recordable form in respect of the Owned Real Property;

(j) Seller shall have delivered to Buyer copies, certified by the duly qualified and acting secretary or assistant secretary of Seller, of resolutions adopted by the Board of Directors or the managers and, if necessary, the members, of Seller approving this Agreement,

the Seller Other Agreements and the consummation of the transactions contemplated hereby and thereby and a certificate of the secretary or an assistant secretary of the Seller, dated the Closing Date, that such resolutions were duly adopted and are in full force and effect;

(k) Seller shall have entered into the Non-Competition Agreement;

(l) Seller shall have delivered to Buyer title commitments to the extent specified in Section 6.18 with respect to each parcel of Owned Real Property and each Leased Real Property;

(m) Buyer shall have received the Financing as provided for under Section 6.22 to pay the Purchase Price as required by Section 2.2. Buyer acknowledges that this condition does not in any way impair Seller's right to terminate this Agreement under Section 10.2(a)(i) or Section 10.2(a)(ii) and to receive, upon such a termination, the APA Deposit Escrow as liquidated damages under Section 10.2(a)(i), or such portion thereof as liquidated damages under Section 10.2(a)(ii).

(n) Seller shall have delivered a duly executed News Sharing Agreement;

(o) Seller shall have delivered a duly executed Transition Services Agreement;

(p) Seller shall have delivered a duly executed KEZI Lease Agreement;

(q) Buyer shall have received the Chambers Guarantee; and

(r) Buyer shall have received the Escrow Agreement, duly executed by Seller and Escrow Agent.

For the purpose of this Agreement, "**Final Order**" means action by the Commission (a) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (b) with respect to which no appeal, request for stay, or petition for rehearing, reconsideration or review by any court or administration agency or by the Commission is pending, and (c) as to which the time for filing any such appeal, request, petition, or similar document for rehearing, reconsideration or review has expired (or if any such appeal, request, petition or similar document has been filed, the Commission action has been upheld in a proceeding pursuant thereto and no additional rehearing, review or reconsideration may be sought).

7.2 Conditions Precedent to the Obligations of Seller. Seller's obligation to consummate the sale under this Agreement is subject to the fulfillment, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing by Seller):

(a) all representations and warranties of the Buyer contained in this Agreement shall be true and correct at and as of the time of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and

correct as of such date only) except for changes which are permitted or contemplated pursuant to this Agreement, the Buyer Other Agreements and the consummation of the transactions contemplated hereby and thereby;

(b) Buyer shall have performed and complied in all Material respects with all obligations, covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, including the documents and instruments required to be delivered by Buyer under Section 8;

(c) there shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or proceeding against the consummation of the transactions contemplated by this Agreement;

(d) Seller shall have duly received, without any condition Materially adverse to Seller, all consents and approvals referred to in **Schedule 7.2(d)**;

(e) Seller shall have been furnished with a certificate of an officer or manager of Buyer, dated the Closing Date, in form and substance satisfactory to Seller, certifying to the fulfillment of the conditions set forth in Sections 7.2(a) and (b);

(f) Buyer shall have delivered to Seller an incumbency certificate or certificates dated the Closing Date certifying the incumbency of all officers and managers of Buyer who have executed this Agreement or any of the Buyer Other Agreements, which certificates shall contain specimens of the signatures of each of such officers and shall be executed by an officer or manager of Buyer other than an officer or manager whose incumbency or authority is certified;

(g) Buyer shall have delivered to Seller copies, certified by the duly qualified and acting secretary or assistant secretary of Buyer, of resolutions adopted by the Board of Directors or the managers and, if necessary, the members, of Buyer approving this Agreement, the Buyer Other Agreements and the consummation of the transactions contemplated hereby and thereby and a certificate of the secretary or an assistant secretary of the Buyer, dated the Closing Date, that such resolutions were duly adopted and are in full force and effect;

(h) the Commission Consent (i) shall have been obtained, (ii) shall be in full force and effect, and (iii) shall not be subject to any condition or qualification materially adverse to Seller, other than conditions that may be imposed by reason or circumstances or actions of Seller that constitute a breach of its representations, warranties and covenants under this Agreement; provided, that this provision shall not relieve Seller from an obligation to use commercially reasonable efforts (including the seeking of a tolling agreement and escrow agreement with the Commission) consistent with its rights and obligations under this Agreement to permit the grant of the Commission Consent notwithstanding pending complaint proceedings against the Stations;

(i) Buyer shall have delivered a duly executed Transition Services Agreement;



(j) Buyer shall have delivered a duly executed KEZI Lease Agreement; and

(k) Seller shall have received the Escrow Agreement duly executed by Buyer and Escrow Agent.

8. Transactions at the Closing.

8.1 Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following:

(a) such bills of sale, assignments, deeds or other instruments of transfer and assignment, and such mortgage discharges, termination letters and UCC-3 termination statements, all in form and substance reasonably satisfactory to Buyer and its counsel, as shall be effective to vest in Buyer title to the Assets consistent with the provisions of this Agreement;

(b) intentionally deleted;

(c) the Seller deliverables referenced in Section 7.1 hereof;

(d) copies of all consents and approvals received pursuant to Section 6.6;

(e) standard, customary documentation (including certain affidavits of Seller) that may be reasonably requested of Seller by Buyer's counsel in connection with Buyer obtaining title insurance policies relating to the Real Property; and

(f) certificates of non-foreign status for Seller satisfying the requirements of Treasury Regulations Section 1445-2(b) of the Code.

(g) such other documents as may reasonably be requested by Buyer or its counsel in order to effect the closing of transactions contemplated by this Agreement, including the instruction to the Escrow Agent regarding the payment of the APA Escrow Deposit to the Seller at Closing (and the payment of the interest on the APA Escrow Deposit to Buyer) (such instructions, the “**Joint Instructions**”), duly executed by Seller.

8.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the following:

(a) wire transfer of funds in the amount provided in Section 2.1 (and Buyer shall also deliver the Indemnity Escrow to the Escrow Agent);

(b) instruments, in form and substance reasonably satisfactory to Seller and its counsel, pursuant to which Buyer shall assume the obligations of Seller to be assumed by Buyer pursuant to Section 2.2;

(c) a copy of resolutions of the board of directors or managers of the Buyer authorizing the execution, delivery and performance of this Agreement by Buyer, and a certificate of the secretary or an assistant secretary of the Buyer, dated the Closing Date, that such resolutions were duly adopted and are in full force and effect;

(d) the Buyer deliverables referenced in Section 7.2; and

(e) such other documents as may reasonably be requested by Seller or its counsel in order to effect the closing of transactions contemplated by this Agreement, including the Joint Instructions, duly executed by Buyer.

8.3 Documents to be Delivered at Closing. At the Closing, Buyer and Seller shall deliver the Escrow Agreement to the Escrow Agent.

9. Survival of Representations and Warranties; Indemnification.

9.1 Survival. All of the representations and warranties of the parties hereto contained in this Agreement and any claims related to the performance of any covenant or agreement of the parties contained in this Agreement prior to or at the Closing shall survive the Closing Date and shall terminate and expire eighteen (18) months after the Closing Date provided, however, the representations and warranties of Seller set forth in Sections 4.1, 4.2, 4.3, the first sentence of Section 4.9(a) and Section 4.13 (collectively, the “**Fundamental Representations**”) shall survive the Closing Date and shall terminate and expire seven (7) years after the Closing Date. The covenants and agreements of the parties set forth in this Agreement to be performed after the Closing shall survive the Closing until fully performed and discharged.

9.2 Indemnification.

(a) Subject to Sections 9.1, 9.3 and 9.4, each Seller agrees to jointly and severally defend, indemnify and hold harmless Buyer and its Affiliates and their respective officers, directors, managers, members, employees, counsel, agents, Affiliates, successors and assigns (collectively, “**Buyer Indemnified Parties**”) against, and hold each of them harmless from, all Losses asserted against, imposed upon or incurred by any of the foregoing by reason of, resulting from, arising out of, based upon or otherwise in respect of the following:

(i) any inaccuracy in any representation or warranty made by Seller pursuant to this Agreement or the Seller Other Agreements, including any inaccuracy caused by a supplement to the Schedules pursuant to Section 6.14; in any case without regard to and without giving effect to any materiality or Material Adverse Effect (or similar) qualifiers contained herein or therein;

(ii) any breach of, or failure to perform, any covenant or agreement made or to be performed by Seller pursuant to this Agreement or the Seller Other Agreements; and

(iii) any Retained Liability or any failure by Seller to carry out, perform, pay, discharge or otherwise fulfill any of the Retained Liabilities.

(b) Subject to Sections 9.1, 9.3 and 9.4, Buyer agree to indemnify and hold harmless Seller and its Affiliates and each of their respective its members, managers, officers, directors, employees, counsel, agents, Affiliates, successors and assigns of each of them (collectively, “**Seller Indemnified Parties**”) against, and hold each of them harmless from, all Losses asserted against, imposed upon or incurred by any of the foregoing by reason of, resulting from, arising out of, based upon or otherwise in respect of the following:

(i) any misrepresentation by Buyer or any breach by Buyer of any representation or warranty contained in this Agreement or the Buyer Other Agreements, in any case without regard to and without giving effect to any materiality or Material Adverse Effect (or similar) qualifiers contained herein or therein;

(ii) any breach of, or failure to perform, any covenant or agreement made or to be performed by Buyer pursuant to this Agreement or the Buyer Other Agreements; and

(iii) Buyer's failure to pay, perform and discharge when due any of the Assumed Liabilities or the Contract Liabilities, subject to the provisions of Section 1.3(a).

(c) The procedures for indemnification under this Agreement shall be as follows:

(i) Any of the Buyer Indemnified Parties or the Seller Indemnified Parties claiming indemnification (the “**Claimant**”) shall promptly give notice to the party from which indemnification is claimed (the “**Indemnifying Party**”) of any claim, specifying in reasonable detail the factual basis for the claim, and the amount thereof, estimated in good faith, all with reasonable particularity. If the claim relates to an action, suit or proceeding filed by another Person against Claimant, then such notice shall be given by Claimant within ten (10) business days after written notice of such action, suit or proceeding was given to Claimant and shall include true and complete copies of all suit, service and claim documents, all other relevant documents in the possession of the Claimant; provided, however, that the failure or delay of the Claimant to provide such notice shall not release the Indemnifying Party from any of its obligations under this Section 9 unless (and then solely to the extent) the Indemnifying Party is prejudiced thereby.

(ii) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have forty-five (45) days to make such investigation of the claim as the Indemnifying Party reasonably deems necessary or desirable, and the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of such forty-five (45) day period to the validity and amount of such claim, then the Indemnifying Party shall promptly pay to the Claimant the full amount of the claim, subject to the terms and limitations hereof. If the Claimant and the Indemnifying Party do not agree within such forty-five (45) day period, then the Claimant

may seek appropriate remedy at law or equity, as applicable, subject to the terms and limitations hereof.

(iii) With respect to any claim by any other Person against the Claimant (a “**Third Party Claim**”), the Indemnifying Party shall have the right at its own expense, (if and only if (I) the Indemnifying Party shall have confirmed in writing that it is fully obligated thereunder to the extent provided in this Agreement to indemnify the Claimant with respect to such Claim and (II) the Claim does not arise in connection with any criminal proceeding, action, indictment, allegation or investigation) to participate in or assume control of the defense of such claim, and the Claimant shall reasonably cooperate with the Indemnifying Party; provided, however, that the Claimant shall be entitled to participate in any such defense with separate counsel at the expense of the Claimant if in the reasonable opinion of counsel to the Claimant a conflict or potential conflict exists between the Claimant and the Indemnifying Party that would make such separate representation advisable. If the Indemnifying Party declines or fails to assume the defense of the Claim on the terms provided above within such 30 day period or, upon petition by the Claimant, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such Claim, then the Claimant may employ counsel (plus one local counsel in any jurisdiction in any single Claim if the Claimant determines in its reasonable discretion such local counsel is necessary) to represent or defend it in any such Claim and the Indemnifying Party will pay the reasonable fees and disbursements of such counsel as incurred; provided, however, that the Indemnifying Party will not be required to pay the fees and expenses of more than one counsel (plus one local counsel in any jurisdiction in any single Claim if the Claimant determines in its reasonable discretion such local counsel is necessary) for all Claimants in any jurisdiction in any single Claim. In any Claim with respect to which indemnification is being sought hereunder and in which the Claimant has assumed the defense of such Claim, the Indemnifying Party shall have the right to participate in such matter and to retain its own counsel at such Indemnifying Party’s own expense. The Indemnifying Party or the Claimant, as the case may be, shall at all times use its reasonable efforts to keep the Indemnifying Party or the Claimant, as the case may be, reasonably apprised of the status of any matter the defense of which they are maintaining and to cooperate in good faith with each other with respect to the defense of any such matter.

(d) At Closing, Chambers is delivering a guarantee in favor of Buyer, in substantially the form attached hereto as **Exhibit 9.2** (the “**Chambers Guarantee**”), pursuant to which Chambers is guaranteeing Seller’s indemnity obligations solely with respect to the Fundamental Representations.

9.3 Limitation on Liability. Notwithstanding anything to the contrary in this Agreement, neither party shall be required to indemnify the other with respect to an aggregate claim for Losses under Section 9.2(a)(i), other than in respect of Fundamental Representations, or Section 9.2(b)(i), as applicable, unless the amount of such Losses exceeds \$100,000 and any amounts in excess thereof; provided, however, that the foregoing threshold amounts shall not apply to any Losses which result from or arise out of fraud.

9.4 Further Limitation on Liability.

(a) Notwithstanding anything to the contrary in this Agreement, the aggregate Liability for Losses of Seller to the Buyer Indemnified Parties under Section 9.2(a)(i) for indemnification under this Agreement, other than in respect of Fundamental Representations, shall be limited to an amount equal to \$1,500,000.00.

(b) Notwithstanding anything to the contrary in this Agreement, the aggregate Liability for Losses under Section 9.2(b) of Buyer to the Seller Indemnified Parties for indemnification or otherwise under this Agreement shall be limited solely to \$4,000,000 and Seller shall have no other recourse against Buyer or any of its members with respect to such indemnity obligations or otherwise arising under this Agreement, except with respect to a Breach by Buyer of Buyer's obligations under Section 6.8 of this Agreement.

9.5 Exclusive Remedy. Following the Closing, the sole and exclusive remedy for the Buyer for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation, warranty, covenant or agreement contained herein or in any of the Other Documents (other than the Non-Competition Agreement) or otherwise arising out of or in connection with the transactions contemplated by this Agreement and the Other Documents (other than the Non-Competition Agreement) or the operation of the Stations shall be a claim for indemnification pursuant to this Section 9; provided, however, that nothing herein shall be deemed to limit any rights or remedies that the Buyer may have against the Seller for fraud.

#### 10. Termination; Etc.

10.1 Termination. Except with respect to provisions that expressly survive termination, this Agreement may be terminated at any time prior to the Closing:

(a) by written agreement of Buyer and Seller;

(b) by Buyer, if Seller is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement, and either (i) such breach or default on the part of Seller shall not have been cured or waived within thirty (30) days after written notice thereof from Buyer to Seller; or (ii) Seller shall not have provided reasonable assurance to Buyer that such breach or default on the part of Seller shall be cured on or before the Closing Date and such breach is in fact not cured by then, provided that Seller shall have no right to any such cure period with respect to any breach or default of Seller's obligations to execute and deliver the agreements, certificates, instruments and documents of Seller set forth in this Agreement, including Sections 7.1 and 8.1; provided, that the right to terminate this Agreement pursuant to this Section 10.1(b) shall not be available to Buyer if it has breached in any material respect its obligations under this Agreement in any manner that shall have materially contributed to the occurrence of the failure of a condition to the consummation of the Closing;

(c) by Seller, if Buyer is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement, and either (i) such breach or default on the part of Buyer shall not have been cured or waived within thirty (30) days after written notice thereof from Seller to Buyer; or (ii) Buyer shall not have provided reasonable

assurance to Seller that such breach or default on the part of Buyer shall be cured on or before the Closing Date and such breach is in fact not cured by then, provided that Buyer shall have no right to any such cure period with respect to any breach or default of Buyer's obligations to execute and deliver the agreements, certificates, instruments and documents of Seller set forth in this Agreement, including Sections 7.2 and 8.2 or pay the Purchase Price; ; provided, that the right to terminate this Agreement pursuant to this Section 10.1(c) shall not be available to Seller if it has breached in any material respect its obligations under this Agreement in any manner that shall have materially contributed to the occurrence of the failure of a condition to the consummation of the Closing;

(d) by Seller pursuant to Section 6.22(b) above;

(e) by Buyer or Seller if the Commission designates for a hearing one or more Assignment Applications for Commission Consent contemplated by this Agreement; or

(f) by Buyer or Seller if the Closing has not occurred on or before the Outside Termination Date, as the same may have been extended as provided in Section 3.2.

#### 10.2 Procedure and Effect of Termination.

(a) If this Agreement is terminated by either or both of Buyer or Seller pursuant to Section 10.1, prompt written notice thereof shall forthwith be given to the other party, and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned without further liability of, and action by, any of the parties hereto, other than as expressly set forth in this Article 10. .

(i) If this Agreement is terminated by Seller pursuant to (A) Section 10.1(c), (B) Section 10.1(d); provided that with respect to this clause (B) the Financing Termination Notice is delivered for a reason other than a Market Disruption Event and other than a breach by Seller under Section 6.22(c) of this Agreement, or (C) Section 10.1(e) or Section 10.1(f); provided that, with respect to this clause (C), only if Buyer is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement, and in each such case, all of the conditions to the Closing set forth in Section 7.1 and Section 7.2 have been satisfied (other than (X) the condition set forth in Section 7.1(m), (Y) those that by their nature are to be met at Closing and for which the Seller is prepared to satisfy at the Closing and (Z) those not met as a result of the Buyer's breach of any representation, warranty, or obligation under this Agreement), then Seller shall have the right to receive, and shall be paid, the APA Deposit Escrow, which shall serve as liquidated damages to Seller and, anything to the contrary in this Agreement notwithstanding, shall be the sole and exclusive remedy of Seller for Buyer's failure to consummate the Closing for any reason set forth in this Section 10.2(a)(i) (it being acknowledged and agreed such liquidated damages have been computed and estimated as a reasonable forecast of probable actual loss to Seller in such event because of the difficulty of estimating with exactness the damages that would actually result and not as a penalty) and neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach

of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination).

(ii) If this Agreement is terminated by Seller pursuant to Section 10.1(d) where the Financing Termination Notice is delivered as a result of a Market Disruption Event and all of the conditions to the Closing set forth in Section 7.1 and Section 7.2 have been satisfied (other than (X) the condition set forth in Section 7.1(m), (Y) those that by their nature are to be met at Closing and for which the Seller is prepared to satisfy at the Closing and (Z) those not met as a result of the Buyer's breach of any representation, warranty, or obligation under this Agreement), then Seller shall have the right to receive, and shall be paid, \$500,000.00 out of the APA Deposit Escrow, which shall serve as liquidated damages to Seller and, anything to the contrary in this Agreement notwithstanding, shall be the sole and exclusive remedy of Seller for Buyer's failure to consummate the Closing for any reason set forth in this Section 10.2(a)(ii) (it being acknowledged and agreed such liquidated damages have been computed and estimated as a reasonable forecast of probable actual loss to Seller in such event because of the difficulty of estimating with exactness the damages that would actually result and not as a penalty) and neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination). After Seller has received \$500,000.00 of the APA Deposit Escrow, Buyer shall have the right to receive and shall be paid the remaining balance of the APA Deposit Escrow;

(iii) If this Agreement is terminated by Buyer pursuant to (A) Section 10.1(b) or (B) Section 10.1(e), provided that, with respect to this clause (B) only if Seller is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement and except as provided in Section 10.2(a)(v), then the APA Deposit Escrow shall be returned to Buyer without limitation of any other remedies available to Buyer;

(iv) If this Agreement is terminated pursuant to Section 10.1(a), then the APA Deposit Escrow shall be returned to Buyer, and neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination); and

(v) If this Agreement is terminated by Seller or Buyer pursuant to Sections 10.1(e) or 10.1(f) for any reason not set forth in Sections 10.2(a)(i), (ii), (iii) or (vi), then the APA Deposit Escrow shall be returned to Buyer and neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination).

(vi) If this Agreement is terminated by Buyer or Seller pursuant to Sections 10.1(b) through 10.1(f) at such point that each of Buyer, on the one hand, and Seller, on the other hand, is in material breach or default of its representations,

warranties, covenants or obligations under this Agreement, then the APA Deposit Escrow shall be returned to Buyer and then neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination).

(b) Notwithstanding any termination of this Agreement pursuant to Section 10, the obligations of the parties described in Sections 6.4, 6.5(b) and this Section 10 will survive any such termination. Notwithstanding any termination of this Agreement pursuant to Section 10.1, except as set forth in Section 10.2(a)(i), Section 10.2(a)(ii) Section 10.2(a)(iv), Section 10.2(a)(v) and Section 10.2(a)(vi), no such termination of this Agreement will relieve any party from liability for any misrepresentation or breach of any representation, warranty, covenant or agreement set forth in this Agreement prior to such termination; and

(c) Each party agrees to take such action as is necessary or desirable to effectuate the payment of the APA Deposit Escrow as set forth in this Section 10.2, including promptly providing to the Deposit Escrow Agent written instructions related to the payment thereof in the manner set forth in the Escrow Agreement.

10.3 Attorneys' Fees. In the event of a breach or default by either party that results in a claim for indemnification under this Agreement, lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in investigation, settlement, arbitration, at trial or on appeal).

10.4 Specific Performance. The parties recognize and agree that each party has relied on this Agreement and expended considerable effort and resources related to the transactions contemplated hereunder, that the right and benefits conferred upon Buyer and the Seller herein are unique, and that damages may not be adequate to compensate either party in the event the other party refuses to consummate the transactions contemplated hereunder in accordance with the terms and conditions hereof. The parties therefore agree that, in addition to any and all remedies expressly set forth herein, prior to Closing and, with regard to Seller, prior to Seller accepting the APA Deposit Escrow (or portion thereof) as liquidated damages in accordance with Section 10.2, Buyer and Seller shall each be entitled, at its option and in lieu of terminating this Agreement pursuant to Section 10.1, to have this Agreement specifically enforced by a court of competent jurisdiction. For the avoidance of doubt, specific performance shall not be available against the Buyer to enforce the Closing if the Financing Sources are not prepared to fund the Debt Financing at the Closing other than as a result of Buyer's breach of this Agreement or the Buyer Other Documents or, to the extent not arising from a breach by Seller under this Agreement, the Debt Commitment Letter.

11. Risk of Loss. The risk of loss or damage to any of the Assets shall be on Seller prior to the Closing and thereafter shall be on Buyer. If any Material Asset is damaged or destroyed prior to the Closing Date (any such event being referred to as an "**Event of Loss**"), Seller shall promptly notify Buyer in writing of the Event of Loss. The notice shall specify with particularity the loss or damage incurred, the cause of the Event of Loss, if known or reasonably ascertainable, and the applicable insurance coverage, if any. If Seller elects in its sole discretion



to repair, replace or restore the Asset and the Asset so damaged or destroyed cannot be completely repaired, replaced or restored by the scheduled date of the Closing but can be accomplished within 90 days after that date, the date of the Closing shall be postponed for up to that 90-day period to allow Seller an opportunity to repair, replace or restore the Asset. If Seller does not elect to repair, replace or restore the Asset or if the repair, replacement or restoration cannot be accomplished within that 90-day period or if a Station is off of the air for 12 days within any 30 day period, Buyer may elect, by written notice to Seller within 20 days after Buyer has received notice that an Event of Loss has occurred or that the repair, replacement or restoration cannot be so completed, the parties shall proceed to Closing, and Seller shall reimburse Buyer for all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the damaged Assets or assign to Buyer the applicable portion of any insurance proceeds not previously expended by Seller to repair or replace the damaged Asset after the Effective Time.

12. **Definitions.** The following terms (in their singular and plural forms as appropriate) as used in this Agreement shall have the meanings set forth below unless the context requires otherwise:

**“Accounts Receivable”** means all accounts receivable, notes receivable and other monies due to Seller for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions (whether or not on the books of Seller) related to the Stations arising prior to the Effective Time and any claim, remedy or other right related to any of the foregoing.

**“Affiliate”** of a Person means any Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person.

**“Agreement”** means this Asset Purchase Agreement, including the exhibits and schedules delivered pursuant hereto or referred to herein.

**“Alternative Financing Termination Notice”** has the meaning given in Section 6.22.

**“Antenna Structure Registrations”** means all registrations of antenna structures issued by the Commission to Seller relating to the operation of the Stations listed on **Schedule 1.1(a)**.

**“APA Deposit Escrow”** means that certain **Nine Hundred Seven Thousand Eight Hundred Dollars (\$907,800.00)** payment made to the Deposit Escrow Agent to hold in escrow pursuant to the terms of the Deposit Escrow Agreement.

**“Assets”** means all of the assets of Seller used, directly or indirectly, in the operations of the Stations (excluding only the Excluded Assets), which assets include the following:

(a) the FCC Licenses related to the Stations, including those listed on **Schedule 1.1(a)** and the Antenna Structure Registration

(b) the Licenses of Seller related, directly or indirectly, to the Station, the operations of the Stations or the other Assets, including those listed on **Schedule 1.1(a)**;

(c) all the Stations' equipment (including computers and office equipment), transmitting towers, transmitters, supplies, vehicles, furniture, fixtures and leasehold improvements, improvements owned by Seller which are located on the Real Property, any films and tapes owned by the Stations, and all other tangible Personal Property, wherever located, that is owned by Seller and used exclusively in the operation of the Stations, including, but not limited to, the items listed on **Schedule 1.1(b)**;

(d) all Owned Real Property listed on **Schedule 4.10(a)**;

(e) all Station Intellectual Property, excluding rights under Programming Agreements;

(f) all rights of Seller under leases, commitments and other agreements affecting the business and operations of the Stations, including (i) all commitments and other agreements relating to the acquisition of programming rights, including rights to the film and videotape prints of motion pictures and television programs, with respect to programming currently being broadcast or currently scheduled to be broadcast by the Stations ("Programming Agreements"), (ii) all commitments and other agreements relating to the sale of broadcast and advertising time on the Stations, (iii) all network affiliation agreements related to the Station, (iv) the leases, commitments and other agreements listed on **Schedule 4.21(a)(i)** through **Schedule 4.21(a)(xi)**, and (v) any other leases, commitments and other agreements relating exclusively to the business and operations of the Stations that are entered into consistent with the provisions of Section 6.2 between the date of this Agreement and the Closing Date;

(g) intentionally deleted;

(h) all of Seller's rights in connection with any "barter" transactions and "trade" agreements affecting to the Stations;

(i) all of Seller's rights under manufacturers' and vendors' warranties to the extent relating to items included in the Assets and all similar rights against third parties relating to items included in the Assets;

(j) all files, logs and business records of every kind to the extent relating to the operations of the Stations, including, but not limited to, programming information and studies, technical information and engineering data, news and advertising studies or consulting reports, sales correspondence, lists of advertisers, promotional materials, credit and sales records, and copies of personnel files for Transferred Employees;

(k) intentionally deleted;

(l) intentionally deleted;

(m) all Seller's Contracts relating to or affecting the Stations, and all outstanding offers or solicitations made by or to Seller to enter into any Contract affecting the Stations;

(n) all Governmental Authorizations and all pending applications therefor or renewals thereof affecting the Stations, in each case to the extent transferable to Buyer, including those listed in **Schedule 1.1(a)**;

(o) all of the intangible rights and property of Seller used in conjunction with the Stations, including Intellectual Property used by or in furtherance of the Stations, going concern value, goodwill, telephone, telecopy and e-mail addresses and listings and those items listed on **Schedule 4.12**;

(p) all insurance benefits, including rights and proceeds, arising from or relating to the Assets or the Assumed Liabilities prior to the Effective Time, unless expended in accordance with this Agreement;

(q) all claims of Seller against third parties relating to the Assets, whether choate or inchoate, known or unknown, contingent or non-contingent; and

(r) all rights of Seller relating to deposits and prepaid expenses, claims for refunds and rights to offset in respect thereof that are not otherwise Excluded Assets.

**“Assignment Application”** has the meaning set forth in Section 6.1.

**“Assumed Liabilities”** means (1) all of the Contract Liabilities to the extent such liabilities arise on or after the Effective Time, (2) those obligations and Liabilities relating to Transferred Employees to the extent provided for in Section 6.8, and (3) any Liabilities exclusively relating to the Stations that arise with respect to events occurring after the Effective time and that related to the period after the Effective Time.

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

**“Buyer Indemnified Party”** has the meaning set forth in Section 9.2(a).

**“Buyer Other Agreements”** has the meaning set forth in Section 5.2.

**“Buyer's 401(k) Plan”** has the meaning set forth in Section 6.8(f).

**“Cable Act”** shall mean the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, as amended.

**“Chambers”** has the meaning set forth in Section 4.13(a).

**“Chambers Guarantee”** shall have the meaning set forth in Section 9.2(d).

**“Claimant”** has the meaning set forth in Section 9.2(c)(1).

**“Closing”** has the meaning set forth in Section 3.1.

**“Closing Date”** means the date that is ten (10) days after all conditions set forth in Section 7.1(c) have been satisfied or such date as the Parties may mutually agree.

**“COBRA”** means the provisions of Code section 4980B and Part 6 of Subtitle B of Title I of ERISA.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

**“Commission”** means the United States Federal Communications Commission or any successor thereto or replacement therefore.

**“Commitment Letters”** has the meaning set forth in Section 5.7.

**“Commonly Controlled Entity”** means any entity which is under common control with the Seller within the meaning of Code section 414(b), (c), (m), or (o).

**“Communications Laws”** has the meaning set forth in Section 4.17.

**“Computer Software”** means all computer programs, materials, tapes, source code and object code, Databases and compilations, including data and collections of data, whether machine-readable or otherwise and all prior and proposed versions, releases, modifications, updates, upgrades and enhancements thereto, as well as all documentation and listings related thereto.

**“Consent”** or **“Commission Consent”** has the meaning set forth in Section 6.1.

**“Contract”** means any written or oral contract, agreement, understanding, lease, usufruct, license, plan, instrument, commitment, restriction, arrangement, obligation, undertaking, practice or authorization of any kind or character or other document to which any Person is a party or that is binding on any Person or its securities, assets or business.

**“Contract Liabilities”** means all of the obligations and Liabilities of Seller with respect to the operation of the Stations to the extent arising as of or after the Effective Time under the Contracts to the Stations that are assigned to Buyer pursuant to Section 1.1.

**“Databases”** means databases in all forms, versions and media, together with prior and proposed updates, modifications and enhancements thereto, as well as all documentation and listings therefor.

**“DBS”** means Direct-broadcast Satellite.

**“Debt Commitment Letters”** has the meaning set forth in Section 5.7.

**“Debt Financing”** has the meaning set forth in Section 5.7.

**“Default”** means (1) a breach of, default under, or misrepresentation in or with respect to any Contract or License, (2) the occurrence of an event that with the passage of time or the giving of notice or both would constitute a breach of, default under, or misrepresentation in any Contract or License, or (3) the occurrence of an event that with or without the passage of time or the giving of notice or both would give rise to a right to terminate, change the terms of or

renegotiate any Contract or License or to accelerate, increase, or impose any Liability under any Contract or License.

**“Deposit Escrow Agent”** shall mean Umpqua Bank.

**“Deposit Escrow Agreement”** means that certain escrow agreement entered into as of the date of this Agreement by and among the Deposit Escrow Agent, Seller and Buyer with respect to the APA Deposit Escrow.

**“Dispute Notice”** has the meaning set forth in Section 13.10(c).

**“Disputes”** has the meaning set forth in Section 13.10(a).

**“DOL”** means the U.S. Department of Labor.

**“Effective Time”** has the meaning set forth in Section 3.1.

**“Employee Benefit Plan”** means any employment, bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, equity (or equity-based), leave of absence, layoff, vacation, day or dependent care, legal services, cafeteria, life, health, medical, accident, disability, workmen's compensation or other insurance, severance, separation, termination, change of control or other benefit plan, agreement (including any collective bargaining agreement), practice, policy or arrangement, whether written or oral, and whether or not subject to ERISA (including, without limitation, any “employee benefit plan” within the meaning of Section 3(3) of ERISA), which Seller or any ERISA Affiliate sponsors, maintains, has any obligation to contribute to, has Liability under or to which it is otherwise a party and which covers or otherwise provides benefits to any employees or former employees of the Seller who provide or provided services relating to the operations of the Stations (or their dependents and beneficiaries).

**“Environmental Laws”** means all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including without limitation, the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 et seq. (**“CERCLA”**), the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 et seq. (**“RCRA”**), and other Laws relating to emissions, discharges, releases or threatened releases of any Hazardous Substance, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Substance.

**“Environmental Matter”** means any matter or circumstances related in any manner whatsoever to (i) the emission, discharge, disposal, release or threatened release of any Hazardous Substance into the environment from or onto the Real Property, or (ii) the transportation, treatment, storage, recycling or other handling of any Hazardous Substance or (iii) the placement of structures or materials into waters of the United States, or (iv) the presence of any Hazardous Substance, including but not limited to asbestos, in any building, structure or workplace on the Real Property or otherwise on, in or under any of the Real Property.

**“Equity Commitment Letters”** has the meaning set forth in Section 5.7.

**“Equity Financing”** has the meaning set forth in Section 5.7.

**“Equity Investors”** has the meaning set forth in Section 5.7.

**“ERISA”** means Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** means any trade or business, whether or not incorporated, that together with the Person or any of its subsidiaries would be deemed a “single employer” within the meaning of Section 414 of the Code.

**“Escrow Agent”** has the meaning set forth in Section 2.3.

**“Escrow Agreement”** has the meaning set forth in Section 2.3.

**“Estimated Purchase Price Adjustment Statement”** has the meaning set forth in Section 2.4(a).

**“Event of Loss”** has the meaning set forth in Section 11.

**“Excluded Assets”** means all of the following assets and properties of Seller:

- (a) Accounts Receivable;
- (b) all cash and cash equivalents;
- (c) Seller's corporate records and other books and records that relate to internal corporate matters of Seller, and all original Tax returns of Seller, and duplicate copies of any records as are necessary or desirable to enable Seller to prepare and file Tax returns and reports and financial statements deemed necessary or desirable by Seller; and
- (d) Seller's Employee Benefit Plans, and any assets thereof;
- (e) current portion of Seller's deferred taxes;
- (f) the Seller's prepaid business (including, liability, business interruption and the like), group and other insurance policies, premiums and recoveries;
- (g) assets of the Seller and its Affiliates not used in the operations of the Station;
- (h) all rights and claims of the Seller to the extent relating to any other Excluded Asset or any Retained Liability or any obligation of the Buyer to indemnify the Seller, including all guarantees, warranties, indemnities and similar rights in favor of the Seller in respect of any other Excluded Asset or Retained Liability; and
- (i) those assets listed on **Schedule 12(A)**.

**“FCC Licenses”** means (i) all licenses issued by the Commission relating to the operation of the Stations and (ii) any other permits and authorizations issued by the Commission relating to the operation of the Stations, in both cases including those listed on **Schedule 1.1(a)**.

**“Final Order”** has the meaning set forth in Section 7.1.

**“Final Purchase Price Adjustment Statement”** has the meaning set forth in Section 2.4(c).

**“Final Purchase Price Adjustment”** has the meaning set forth in Section 2.4(e).

**“Financial Statements”** means the unaudited balance sheets of the Stations as of December 31, 2012 and as of November 30, 2013 and the related statements of operations for the year and eleven-month periods then ended (such November 30, 2013 Financial Statement, the **“Interim Financial Statement”**).

**“Financing”** has the meaning set forth in Section 6.22.

**“Financing Sources”** has the meaning set forth in Section 6.22(d).

**“Financing Termination Notice”** has the meaning given in Section 6.22.

**“GAAP”** means generally accepted accounting principles consistently applied in the United States of America.

**“Governmental Authority”** means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority, board or body.

**“Hazardous Substance”** means any hazardous or toxic, substance, material, or waste (as those terms are defined by any applicable Environmental Laws), including petroleum, petroleum products, oil, hydrocarbon, radioactive matter or any other pollutants, contaminants or regulated materials except for de minimis amounts of cleaning fluids or other substances which may technically be Hazardous Substances but which are commonly used in the operation of broadcast television stations.

**“Improvements”** means all buildings, structures, fixtures and other improvements included in the Real Property.

**“Indemnifying Party”** has the meaning set forth in Section 9.2(c)(i).

**“Indemnity Escrow”** has the meaning set forth in Section 2.3.

**“Independent Accountants”** has the meaning set forth in Section 2.4(d).

**“Intellectual Property”** means the following and/or rights with respect to the following: (i) patents and pending patent applications, together with any and all continuations, divisions, reissues, extensions and renewals thereof, (ii) trade secrets, know-how, inventions, formulae and processes, whether trade secrets or not, (iii) trade names, trademarks, service marks, logos,

jingles, slogans, assumed names, brand names and all registrations and applications therefor together with the goodwill of the business symbolized thereby, (iv) copyrights and any registrations and applications therefor, (v) Computer Software, and (vi) Internet domain names and Internet web site addresses and all related web site content.

**“Interim Financial Statement”** means the Interim Financial Statement of Seller as of November 30, 2013 included in the Financial Statements.

**“Interim Financial Statement Date”** means the date of the Interim Financial Statement.

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

**“Joint Instructions”** has the meaning set forth in Section 8.1(h).

**“KEZI”** has the meaning set forth in the preamble above.

**“KDRV”** has the meaning set forth in the preamble above.

**“KDKF”** has the meaning set forth in the preamble above.

**“Knowledge”** (or any variation of the word **“Know”**) means, (i) with respect to Seller, the actual knowledge of Scott Chambers, Dana Siebert and Nicole Pearson, and Dennis Hunt, and (ii) with respect to Buyer, Robert S. Prather, Jr. and Barry Boniface.

**“Law”** means any code, law, order, ordinance, regulation, rule, or statute of any Governmental Authority.

**“Leased Personal Property”** means all Personal Property that is not owned by Seller that Seller either uses or has the right to use.

**“Leased Real Property”** means all Real Property in which Seller holds an interest in or the right to use or occupy pursuant to the Leases, whether as a tenant, subtenant, landlord or sublandlord, and whether in whole or in part, any land, buildings, structures, improvements, fixtures or other real property.

**“Leases”** means all leases, subleases, licenses and other occupancy agreements described on **Schedule 4.10(b)**.

**“Lender”** has the meaning set forth in Section 5.8.

**“Liability”** means any direct or indirect, primary or secondary, Liability, indebtedness, obligation, penalty, expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills and checks presented to banks for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute, contingent, liquidated, unliquidated, matured, unmatured or otherwise.



**“License”** means any license, franchise, notice, permit, easement, right, certificate, authorization, approval or filing to which any Person is a party or that is or may be binding on any Person or its securities, property or business.

**“Lien”** means any mortgage, lien, security interest, pledge, hypothecation, encumbrance, restriction, reservation, encroachment, infringement, easement, conditional sale agreement, title retention or other security arrangement, defect of title, adverse right or interest, charge or claim of any nature whatsoever of, on, or with respect to any property or property interest.

**“Litigation”** means any action, administrative or other proceeding, arbitration, cause of action, claim, complaint, criminal prosecution, inquiry, hearing, investigation (by a Governmental Authority or otherwise), notice (written or oral) by any Person alleging potential Liability or requesting information relating to or affecting the business of the Stations, the Assets (including Contracts relating to the Stations), or the transactions contemplated by this Agreement.

**“Loss”** means any and all direct or indirect demands, claims, payments, obligations, recoveries, deficiencies, fines, penalties, interest, assessments, actions, causes of action, suits, losses, diminution in the value of Assets, damages, punitive, exemplary or consequential damages (including, but not limited to, lost income and profits and interruptions of business), liabilities, costs, expenses (including (i) interest, penalties and reasonable attorneys' fees and expenses, (ii) attorneys' fees and expenses necessary to enforce rights to indemnification hereunder, and (iii) consultant's fees and other costs of defense or investigation), and interest on any amount payable to a Third Party as a result of the foregoing, whether accrued, absolute, contingent, known, unknown, or otherwise as of the Closing Date or thereafter.

**“Market Disruption Event”** shall mean there is an extraordinary disruption in financial markets occurring after the date of this Agreement and continuing through the Outside Termination Date which results generally in the unavailability through the Outside Termination Date of debt or equity financing for transactions comparable to the transactions contemplated herein and debt or equity financing or alternative debt financing for Buyer to consummate the transactions contemplated herein is in fact unavailable through the Outside Termination Date, notwithstanding Buyer's compliance with its obligations set forth in Section 6.22 hereof.

**“Material”** or **“Materially”** shall be determined in light of the facts and circumstances of the matter in question; provided, however, that any specific monetary amount cited in this Agreement shall be deemed to determine materiality in that instance.

**“Material Adverse Change”** or **“Material Adverse Effect”** means (i) any event, change, circumstance, effect, development or state of facts that has a material adverse effect on the business, assets, properties, operations, condition (financial or otherwise) or liabilities of the Stations, (ii) any Material adverse change in or effect on the ability of Seller to consummate the transactions contemplated by this Agreement or any of the Seller Other Agreements to which Seller is or will be a party, or (iii) any Material adverse change or effect on the ability of Seller to perform any of its obligations under this Agreement or any of the Seller Other Agreements to which it is or will be a party; provided, however, that a Material Adverse Effect shall not include any effect to the extent resulting from (A) changes in general United States or international

economic conditions or in any financial, credit or capital markets (including interest rates or exchange rates), (B) changes in the broadcast television industry as a whole, (C) any failure to meet projections or forecasts, (D) any proposed or actual change in any existing Law (or the implementation or interpretation thereof), (E) any proposed or actual change in GAAP (or the implementation or interpretation thereof), (F) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of this Agreement or the transactions contemplated by this Agreement and any adverse change in, or loss of, customer, supplier or similar relationships resulting therefrom or with respect thereto, including as a result of the identity of Buyer, (G) any omission to act or action taken with the written consent of Buyer or otherwise as contemplated by this Agreement, (H) acts of war (whether or not declared), the commencement, continuation or escalation of war, acts of armed hostility, sabotage or terrorism or other international or national calamity or material worsening of such conditions threatened or existing on the date hereof or other change or development in political, social or regulatory conditions or (I) any hurricane, earthquake, flood, fire or other natural disaster or act of God; *provided* that, in the case of clauses (A), (B), (D), (E), (H) or (I), only to the extent such effect, does not, individually or when aggregated with all other such effects, have a materially disproportionate adverse impact on the Stations relative to other persons in the affected geographic regions or the industry in which the Stations operate.

**“Material Advertisers”** has the meaning set forth in Section 4.21(f).

**“Material Business Contracts”** has the meaning set forth in Section 4.21(b).

**“Multiemployer Plan”** means a “multiemployer plan” (as defined in Section 3(37) of ERISA) to which a Person or any of its ERISA Affiliates is or has been obligated to contribute or otherwise may have any liability.

**“News Sharing Agreement”** means that certain news sharing agreement, in form reasonably satisfactory to Buyer, pursuant to which KEZI, Inc. provides KOHD(TV), Bend, Oregon grants KOHD(TV) a license to rebroadcast the KEZI(TV) news feed.

**“Non-Competition Agreement”** has the meaning set forth in Section 6.12.

**“Non-Disclosure Agreement”** has the meaning set forth in Section 6.5(b).

**“Order”** means any decree, injunction, judgment, order, ruling, writ, quasi-judicial decision or award or administrative decision or award of any federal, state, local, foreign or other court, arbitrator, mediator, tribunal, administrative agency or Governmental Authority to which any Person is a party or that is or may be binding on any Person or its securities, assets or business.

**“Other Agreements”** has the meaning set forth in Section 5.2.

**“Owned Personal Property”** means all Personal Property other than Leased Personal Property.

**“Owned Real Property”** means the parcels of land described on **Schedule 4.10(a)**, together with all buildings, structures, improvements, fixtures, easements and other rights and interests appurtenant thereto.

**“Permitted Lien”** means (i) liens for taxes not yet due and payable; (ii) inchoate statutory liens that were created in the ordinary course of business and which will be discharged prior to Closing; (iii) restrictions imposed by Governmental Authorities under applicable Law; (iv) zoning, building or similar restrictions relating to or affecting property to the extent the Seller is not in breach thereof; (v) those liens that secure amounts owed by Seller to its creditors for indebtedness for borrowed money that are to be discharged and released simultaneously with the Closing or for which arrangements therefor have been made as of Closing or for which the relevant creditors have agreed in writing to authorize Seller or the Buyer to arrange for their release simultaneously with the Closing or for which arrangements therefor have been made as of Closing; (vi) easements, covenants, conditions, restrictions and other similar matters of record affecting title to Real Property which do not or would not materially impair the use or occupancy of such Real Property in the operation of the business of the Stations in the ordinary course, consistent with past practice; and (vii) statutory liens that were created in the ordinary course of business and that secure only amounts or obligations that are not due and payable as of the date in question.

**“Person”** means a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association or any person acting in a representative capacity.

**“Personal Property”** means collectively all of the personal property or interests therein owned, leased, used or controlled by Seller and used in the business of the Stations including machinery, tools, equipment (including office equipment and supplies), furniture, furnishings, fixtures, vehicles, leasehold improvements and all other tangible personal property.

**“Programming Agreements”** has the meaning set forth in the definition of “Assets.”

**“Purchase Price”** has the meaning set forth in Section 2.1.

**“Real Property”** means the Owned Real Property and the Leased Real Property.

**“Record”** means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

**“Registered Station Intellectual Property”** means the Station Intellectual Property that has been registered with, or for which an application for registration has been submitted to, the United States Patent and Trademark Office (or any corresponding state agency), the United States Copyright Office or any domain name registrar.

**“Related Party”** any of the following: (a) each individual who is, or who has in the past two years been, an officer of the Seller; (b) any spouse, parent, child or sibling of each of the individuals referred to in clause "(a)" above; and (c) any Person (other than the Seller) in which any one of the individuals referred to in clauses "(a)" and "(b)" above holds (or in which more

than one of such individuals collectively hold), beneficially or otherwise, a controlling interest or a voting or equity interest material to such Person.

**“Renewal Application”** has the meaning set forth in Section 6.1(b).

**“Representatives”** with respect to any Person means the Affiliates of such Person and the members, directors, managers, officers, principals, employees, agents, advisors and other representatives of such Person and its Affiliates.

**“Retained Liabilities”** means any and all Liabilities of Seller that are not an Assumed Liability, including the following:

- (i) any Liabilities for any Taxes of Seller;
- (ii) any Liabilities relating to current or former assets of Seller not being acquired by Buyer pursuant to this Agreement, including the Excluded Assets;
- (iii) except as provided in Section 6.6, any Contract of Seller not validly assigned to Buyer;
- (iv) any Liability incurred by Seller as a result of any Default by Seller under any provision of this Agreement or the Seller Other Agreements or any Default in existence prior to the Closing under any Contract that is part of the Assets;
- (v) except as provided in Section 6.8, any Liability of Seller to pay bonuses or other compensation to employees of Seller on account of the transactions contemplated by this Agreement;
- (vi) any Undisclosed Liability;
- (vii) except to the extent specifically assumed by Buyer, any Liability of Seller or an Affiliate of Seller, of any nature whatsoever, to any current or former officer, director, manager, employee, member, shareholder, partner of Seller or such Affiliate of Seller;
- (viii) any Liability (including any Liability relating to any Litigation) relating to, based upon, or arising out of (A) the conduct of the business of the Stations or the ownership of the Assets prior to the Closing Date or (B) any act, omission, transaction, circumstance, sale of goods or services, state of facts or other condition which occurred or existed prior to the Closing Date, whether or not then known, due or payable and whether or not disclosed in this Agreement or the Seller Other Agreements, to the extent related to the period prior to the Closing Date.
- (ix) any Liability that Buyer may incur in connection with any Litigation brought against Buyer under the Worker Adjustment and Retraining Notification Act or any similar Law that relates to actions taken by Seller with regard to any employees or any site employment;

(x) any of the events, circumstances, or conditions described in **Schedule 4.18**, or any Liability arising from any Environmental Matter;

(xi) except as provided in Section 6.8, any Liability of Seller under or relating to any Employee Benefit Plan;

(xii) any claim by any broker, finder or other Person employed or allegedly employed by Seller in connection with the transactions contemplated by this Agreement; or

(xiii) any Liability related to an Excluded Asset.

**“Retransmission Agreements”** has the meaning set forth in Section 4.21(c).

**“Seller”** has the meaning set forth in the **preamble** above.

**“Seller Indemnified Party”** has the meaning set forth in Section 9.2(b).

**“Seller Other Agreements”** has the meaning set forth in Section 4.2.

**“Seller’s 401(k) Plan”** has the meaning set forth in Section 6.8(f).

**“Shareholder”** has the meaning set forth in Section 4.13(a).

**“SHVERA”** has the meaning set forth in Section 6.2(l).

**“Station Intellectual Property”** means the Intellectual Property owned, licensed or used by or on behalf of Seller solely in connection with the operation of the Stations.

**“Station Employee”** has the meaning set forth in Section 4.22.

**“Stations”** has the meaning set forth in the Background above.

**“Surveys”** has the meaning set forth in Section 6.18.

**“Tax” or “Taxes”** federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

**“Tax Returns”** means all returns, reports, filings, declarations and statements relating to Taxes that are required to be filed, recorded, or deposited with any Governmental Authority, including any attachment thereto or amendment thereof.

**“Third Party” or “Third Parties”** means any Person that is not Buyer, Seller or an Affiliate of Buyer or Seller.

**“Third Party Claim”** has the meaning set forth in Section 9.2(c).

**“Title Commitments”** has the meaning set forth in Section 6.18.

**“Transferred Employee”** has the meaning set forth in Section 6.8.

**“Undisclosed Liabilities”** means any Material Liability related to the Stations as of the Interim Financial Statement Date that is not disclosed in a Schedule, including any liabilities or obligations of any kind or nature, whether known or unknown, absolute or contingent, accrued or unaccrued.

**“WARN Act”** has the meaning set forth in Section 4.22(f).

13. Miscellaneous

13.1 Notices. Any notice or other communication under this Agreement shall be in writing and shall be considered given when delivered personally or when mailed by registered mail, return receipt requested, to the parties at the addresses set forth below (or at such other address as a party may specify by notice to the other):

to Buyer:

Oregon TV, LLC  
1843 West Wesley Road  
Atlanta, GA 30327  
Attention: Robert S. Prather, Jr.

with copy to:

MSouth Equity Partners  
Two Buckhead Plaza  
3050 Peachtree Road, NW, Suite 550  
Atlanta, Georgia 30305  
Attention: Ryan Leach  
Fax: (404) 816-3258

with a copy to:

Sutherland Asbill & Brennan LLP  
Suite 2300 Atlanta, GA 30309  
Attention: Wade Stribling  
Facsimile: (404)853-8864

if to Seller:

KEZI, INC.  
2975 Chad Drive  
Eugene, Oregon 97408

Attention: Scott Chambers  
Facsimile: (541) 342-1568

with a copy to:

Arnold Gallagher P.C.  
800 Willamette Street, Suite 800  
Eugene, Oregon 97401  
Attention: Roger M. Saydack  
Facsimile: (541) 484-0536

13.2 Intentionally deleted.

13.3 Entire Agreement. This Agreement, including the Non-Disclosure Agreement, schedules and exhibits, contains a complete statement of all the arrangements between the parties with respect to its subject matter, supersedes any previous agreement between them relating to that subject matter, and cannot be changed or terminated orally.

13.4 Headings. The Section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

13.5 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware.

13.6 Separability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect.

13.7 Assignment. No party may assign this Agreement or any of its rights, interests or obligations or delegate any of its duties under this Agreement without the consent of the other; provided, however, that, without the consent of Seller, Buyer may (i) assign this Agreement, in whole or in part to any direct or indirect wholly-owned subsidiary of Buyer, (ii) collaterally assign all or any portion of its rights under this Agreement to its lender or lenders, equity sponsor or sponsors or other financing source or sources in connection with obtaining any financing (or any refinancing thereof), and (iii) after the Closing, to any purchaser(s) of all or substantially all of the Assets from Buyer; provided, however, that in any case (i), (ii) or (iii) such assignment does not terminate Buyer's indemnification obligations or Buyer's other obligations and liabilities under this Agreement.

13.8 Publicity. No party shall publish, issue or make any press release or make any other public announcement concerning this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other party, which shall not be withheld or delayed unreasonably; provided, however, that (i) nothing contained in this Agreement shall prevent any party, after notification to the other party to the extent legally permissible, from making any filings with Governmental Authorities that, based on advice of legal counsel, may be required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby and (ii) Seller shall be permitted to publish and

broadcast public notices concerning the filing of the Assignment Application in accordance with the requirements of Section 73.3580 of the Commission's rules.

13.9 Jurisdiction. The courts of the State of Oregon in Multnomah County and the United States District Court for the District of Oregon shall have jurisdiction over the parties with respect to any dispute or controversy between them arising under or in connection with this Agreement and, by execution and delivery of this Agreement, each of the parties to this Agreement submits to the jurisdiction of those courts, including, but not limited to, the in personam and subject matter jurisdiction of those courts, waives any objection to such jurisdiction on the grounds of venue or forum non conveniens, the absence of in personam or subject matter jurisdiction and any similar grounds, consents to service of process by mail (in accordance with Section 13.1) or any other manner permitted by law, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. These consents to jurisdiction shall not be deemed to confer rights on any Person other than the parties to this Agreement.

13.10 Dispute Resolution.

(a) The resolution of any and all disputes arising from or in connection with this Agreement, whether based on contract, tort, or otherwise (collectively, “**Disputes**”), shall be exclusively governed by and settled in accordance with the provisions of this Section 13.10; provided, however, that this Section 13.10 shall not preclude or delay any party from seeking injunctive relief in a court of competent jurisdiction without complying with the following provisions of this Section 13.10.

(b) The parties hereto shall use all commercially reasonable efforts to settle all Disputes without resorting to mediation, arbitration or otherwise.

(c) The party asserting a Dispute shall deliver to the other party a written notice setting forth the basis for the issue in detail, and identifying the section of this Agreement (the “**Dispute Notice**”). Within ten (10) Business Days of receipt of a Dispute Notice, the issue shall be elevated to a designated panel of four individuals, two representatives from Buyer and two individuals from Seller, with all such individuals familiar with the Station. The panel may be assisted by other advisors, including accountants, attorneys, and employees, in its discussions and review. Such representatives shall be empowered and authorized to bind their respective companies with respect to the matter in dispute, and to settle the issue on behalf of their respective companies. These representatives shall for thirty (30) business days after receipt of the Dispute Notice, confer and in good faith make a reasonable effort to resolve the issue.

(d) In the event that a Dispute remains unsettled after the procedures set forth in Section 13.10(c), a party hereto may commence Proceedings hereunder in any court specified in Section 13.9.

13.11 Counterparts. This Agreement may be executed in any number of counterparts, which together shall constitute one and the same instrument. Delivery of a signature page hereto by facsimile transmission or other method of electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.



13.12        Rules of Construction. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular. Without limiting the generality of the foregoing, it is hereby acknowledged and agreed that the terms “Seller” shall include and mean, as applicable, KEZI and KDRV individually and not just KEZI and KDRV collectively or as a group. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references to “party” and “parties” shall be deemed references to parties to this Agreement unless the context shall otherwise require. Except as specifically otherwise provided in this Agreement, a reference to an Article, Annex, Section, Schedule or Exhibit is a reference to an Article, Annex, Section, Schedule or Exhibit of this Agreement. The term “or” is used in its inclusive sense (“and/or”) and, together with the terms “either” and “any” shall not be exclusive. When used in this Agreement, words such as “herein,” “hereinafter,” “hereby,” “hereof,” “hereto,” “hereunder” and words of similar import shall refer to this Agreement as a whole, including Annexes, Schedules and Exhibits hereto, and not to any particular provision of this Agreement, unless the context clearly requires otherwise. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Disclosure of information included on any disclosure schedule (or portion of any disclosure schedule) shall be considered disclosures for all other disclosure schedules (or other portions of other disclosure schedules) to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other disclosure schedules (or other portions of disclosure schedules). In addition, (a) the fact that any disclosure on any schedule is not required to be disclosed in order to render the applicable representation or warranty to which it relates true, or that the absence of such disclosure on any schedule would not constitute a breach of such representation or warranty, shall not be deemed or construed to expand the scope of any representation or warranty hereunder or to establish a standard of disclosure in respect of any representation or warranty and (b) disclosure of a particular matter on any schedule shall not be construed to mean that such matter is material or would reasonably be expected to have a Material Adverse Effect.

13.13        No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any Person by virtue of the authorship of any of the provisions of this Agreement.

13.14        Sellers’ Accounts Receivable.

(a) For a period of ninety (90) days after the Closing Date, Buyer will use commercially reasonable efforts to collect Seller’s Accounts Receivable, except that Buyer will not be required to engage collection agencies or legal counsel or institute any action or proceeding to collect the Accounts Receivable.

(b) Buyer will collect Seller’s Accounts Receivable for the account of Seller, and will remit to Seller on or before the 10th day of each calendar month any funds received by Buyer from Seller’s Accounts Receivable during the previous calendar month, together with a reasonably detailed accounting of Seller’s Accounts Receivable. Unless

otherwise specified by an account debtor, Buyer will apply all Accounts Receivable that Buyer collects first to any pre-Closing indebtedness of the account debtor, and then to any post-Closing indebtedness of the account debtor.

(c) Upon the expiration of the ninety (90) day period after the Closing Date, Buyer will deliver to Seller copies of all records relating to Seller's uncollected Accounts Receivable, and Seller may use commercially reasonable means to collect the Accounts Receivable.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed under seal as of the date first above written.

**BUYER:**

OREGON TV, LLC

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

Barry Boniface

President and Secretary

**SELLER:**

KEZI, INC.

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

Scott Chambers

President and Chief Operating Officer

SODA MOUNTAIN BROADCASTING, INC.

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

Scott Chambers

President and Chief Operating Officer

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed under seal as of the date first above written.

**BUYER:**

OREGON TV, LLC

By: \_\_\_\_\_  
Barry Boniface  
President and Secretary

**SELLER:**

KEZI, INC.

By: SH Chambers  
Scott Chambers  
President and Chief Operating Officer

SODA MOUNTAIN BROADCASTING, INC.

By: SH Chambers  
Scott Chambers  
President and Chief Operating Officer

## TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT, dated as of [\_\_\_\_], 2014 (this "**Agreement**"), is by and among Oregon TV, LLC, a Delaware limited liability company ("**Buyer**"), KEZI, Inc., an Oregon corporation ("**KEZI**"), Soda Mountain Broadcasting, Inc., an Oregon corporation ("**Soda Mountain**"; and together with KEZI, the "**Seller**") and Chambers Communications Corp., an Oregon corporation ("**Chambers**," and together with KEZI and Soda Mountain, collectively, the "**Provider**").

## WITNESSETH:

WHEREAS, Buyer, KEZI and Soda Mountain have entered into that certain Asset Purchase Agreement, dated as of March 5, 2014 (the "**Purchase Agreement**");

WHEREAS, Chambers has entered into a Guarantee Agreement, dated as of [\_\_\_\_], 2014 as required by the Asset Purchase Agreement;

WHEREAS, Chambers provides certain administrative services, including human resources services, IT services, accounting services to KEZI and Soda Mountain; and

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Buyer desires that the Provider provide certain transition and optional services to Buyer after the Closing; and

WHEREAS, Provider has agreed to provide, independently or through other parties providing services to Provider, the Services (as herein defined) to Buyer upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual terms, conditions and agreements set forth herein, the receipt and sufficiency of which the parties hereto hereby acknowledge, the parties hereby agree as follows:

ARTICLE I  
DEFINITIONS

1.01 Reference to Purchase Agreement. All capitalized terms used but not specifically defined in this Agreement have the meanings assigned to them in the Purchase Agreement.

ARTICLE II  
SERVICES

2.01 Transition Services to be provided by Provider. On the terms and subject to the conditions set forth herein, Provider shall provide, independently or through other parties providing services to Provider, to Buyer with respect to the Stations the functions, responsibilities, activities and tasks related to the transition services described in the Transition Services Schedule (the "**Transition Services Schedule**") in Schedule A attached hereto (collectively, the "**Transition Services**"). Such Transition Services shall be performed in the same manner as performed by

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### EXHIBIT 6.24

Provider or its Affiliates for such Stations prior to the Closing, subject to immaterial and reasonable variations and modifications resulting from and arising on and after Closing from Buyer's operation of the Stations.

2.02 Cooperation and Additional Limitations on Services. From the Closing Date until the earlier of the expiration or termination of each of the Services, each of the parties agrees to use its reasonable good faith efforts to work together so that the provision of Transition Services may be transitioned to Buyer as soon as is reasonably practicable after Closing. Buyer and Provider shall cooperate with each other in all reasonable respects in the performance by Chambers of the Transition Services. Notwithstanding anything to the contrary contained in this Agreement: (a) neither Provider nor any of its Affiliates shall be obligated to provide any particular Transition Service for any Station, if such Transition Service had not been provided for such Station prior to the Closing; (b) Buyer shall use the Transition Services for substantially similar purposes and in substantially the same manner as Seller with respect to the Stations used the Transition Services in the ordinary course of business prior to the Closing; and (c) in the event that the Provider's employee responsible for the provision of any particular Transition Service for any Station resigns or is otherwise terminated as an employee of Provider on a date after the date first set forth above, Provider agrees to the extent possible, to provide Buyer reasonable notice of such employee's resignation, and in the case of termination for cause to reasonably consult with Buyer regarding such termination. Following a voluntary resignation of such employee from the Provider (but excluding any termination of such employee by Provider for reasons other than termination for cause), Provider shall not be obligated to hire a replacement for such employee, and neither Provider nor any of its Affiliates shall be obligated to continue to provide such Transition Services if Provider does not otherwise then employ an employee with the requisite skill set to provide such Transition Services. Prior to closing, Seller will give Buyer notice of the Transition Services which Seller has the current capability to provide with employees it has at the time. To the extent Provider's or its Affiliates' ability to provide certain Services is subject to the consent or approval of any third party, Provider shall use commercially reasonable efforts to obtain such consent or approval; provided, that, if notwithstanding such efforts, Provider is unable to obtain any such consent or approval, neither Provider nor any of its respective Affiliates shall be required to provide any such Transition Services. Nothing herein shall be construed to grant Provider the power or authority to control or direct the operations of Television Stations KEZI, Eugene, Oregon, KDRV, Medford, Oregon, or KDKF, Klamath Falls, Oregon (the "Stations") during the term of this Agreement. Buyer shall retain full authority, power and control over the management, operations, personnel and programming of the Stations.

2.03 Responsibilities of Buyer. Buyer shall perform (or cause to be performed) all of the obligations to be performed by it specified in this Agreement and all of the following tasks, and assume the following responsibilities: (a) give Provider reasonable notice of all material business developments that are required for the performance of the Transition Services; (b) reasonably cooperate with Provider in coordinating arrangements for Provider to provide or cause to be provided the Transition Services hereunder; and (c) provide Provider with reasonable access to Buyer's premises, equipment, information technology systems, data and personnel as Provider may reasonably request, in order for Provider to perform or cause to be performed the Transition Services hereunder.

ARTICLE III  
COMPENSATION

3.01 Transition Service Fees. The fees payable to Provider for each Transition Service as of the date hereof (the “**Transition Service Fees**”) shall be the amount (pro rated for partial months) for such Transition Service, as set forth in Schedule B. No later than the fifteenth (15<sup>th</sup>) day of the following month, Provider shall send to Buyer an invoice setting forth the Transition Service Fees for the prior month. Buyer shall pay any Transition Service Fees due and payable on such invoice within fifteen (15) days following the receipt of such invoice.

3.02 Documentation. Documentation supporting such Transition Service Fees will be provided along with the invoice provided by Provider pursuant to Section 3.1(a). Should Buyer dispute any portion of the amount due on any invoice or require any adjustment to an invoiced amount, Buyer shall notify Provider in writing of the nature and basis of the dispute and or adjustment as soon as reasonably possible. The parties shall use commercially reasonable efforts to resolve the dispute prior to the payment due date.

ARTICLE IV  
COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.01 Compliance with Laws. Each party shall comply, at its own expense, with the provisions of all applicable municipal requirements and those state and federal laws that may be applicable to the performance of this Agreement.

4.02 Performance. Provider shall, and shall cause its Affiliates to, provide the Transition Services (a) with the same degree of care, skill, and prudence used by Provider and its Affiliates in providing such services to itself and its Affiliates, and (b) in a manner consistent with the same services provided by Provider and its Affiliates, in each case, in connection with the operation of the Stations and the Assets in the ordinary course of business prior to the Closing, including with respect to the timing of such services.

4.03 Disclaimer. Buyer acknowledges that Provider and its Affiliates do not represent or guarantee that the objectives of Buyer will be achieved as a result of Provider’s provision of the Services hereunder. **EXCEPT AS EXPRESSLY STATED HEREIN, PROVIDER AND ITS AFFILIATES MAKE NO REPRESENTATIONS, WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, BASED ON COURSE OF PERFORMANCE, COURSE OF DEALING, TRADE USAGE OR OTHERWISE, ABOUT THE SERVICES OR OTHER DELIVERABLES HEREUNDER. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

ARTICLE V  
TERM AND TERMINATION

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### EXHIBIT 6.24

5.01 Term of Provision of Transition Services. The term for the provision of the Transition Services shall commence as of the Closing Date and continue for ninety (90) days thereafter, unless otherwise terminated by the mutual written consent of Buyer and Provider. In addition, Buyer shall have the right to terminate any Transition Service being provided by Provider on five (5) days written notice.

5.02 Survival. All rights and obligations of Provider and Buyer shall cease to have effect immediately upon termination of this Agreement except that termination shall not affect the accrued rights and obligations of Provider and Buyer at the date of termination, and Articles VI and VII shall survive expiration or termination of this Agreement.

## ARTICLE VI INDEMNIFICATION

6.01 Indemnity. To the extent not prohibited by law, and except as otherwise provided in this Agreement, each party shall indemnify and hold harmless the other party and its Affiliates and its and their officers, directors, employees and agents (the “**Buyer Indemnified Parties**”) from and against any and all costs, expenses (including, without limitation, reasonable attorneys’ fees), losses, claims, suits, actions, or liabilities (collectively, “**Losses**”) in any way caused by or arising from (a) a material breach of any material covenant, agreement, representation or warranty of the indemnifying party hereunder, or (b) the gross negligence or intentional misconduct of the indemnifying party; provided, that, in no event shall the aggregate liability of Provider and its Affiliates hereunder exceed an amount equal to the aggregate amount of the Transition Service Fees paid to Provider by Buyer pursuant to this Agreement.

6.02 Limitation on Liability. To the fullest extent permitted by applicable law, Provider shall have no liability hereunder, and Buyer hereby waives all liabilities of Provider hereunder, in each case, except as expressly set forth in Section 6.1. Notwithstanding the foregoing, the sole and exclusive remedy at law (other than with respect to claims involving fraud) for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation, warranty, covenant, agreement or undertaking in or pursuant to this Agreement or for action or omission to act in connection the Transition Services shall be a claim for indemnification for actual damages, which claims are independent of and in addition to any equitable rights or remedies available to any party. IN NO EVENT SHALL ANY INDEMNIFYING PARTY IN ANY CASE BE LIABLE 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 OR SIMILAR MEASURE OF ANY BUYER INDEMNIFIED PARTY.

## ARTICLE VII MISCELLANEOUS

7.01 Independent Entities. In providing the Transition Services hereunder, Provider will act solely as an independent contractor and nothing in this Agreement will constitute or be construed to be or create a partnership, joint venture, or principal/agent relationship between Provider, on the one hand, and the Buyer, on the other.



## EXECUTION COPY

### EXHIBIT 6.24

7.02 Headings. Article and Section headings in this Agreement are included herein for convenience of reference only and shall in no way restrict or affect the interpretation of any provision hereof.

7.03 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same agreement.

7.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

7.05 No Third Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

7.06 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns; provided, however, that no party may assign this Agreement without the express prior written consent of the other party.

7.07 Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

7.08 Severability. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.

7.09 Other Agreements. Nothing contained in this Agreement is intended to amend or modify in any respect the rights and obligations of the parties to the Purchase Agreement

7.10 Order of Precedence. To the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any provision of the Purchase Agreement, the provision contained in this Agreement will prevail.

7.11 Force Majeure. Provider will not be liable to Buyer for any delay or failure of the Provider to perform its obligations hereunder if such delay or failure arises from any cause or causes beyond the reasonable control of Provider. Such causes will include, but are not limited to, acts of God, floods, fires, loss of electricity or other utilities, or delays by the other party in providing required resources or support.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**CHAMBERS COMMUNICATIONS CORP.**

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

**KEZI, INC.**

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

**SODA MOUNTAIN BROADCASTING, INC.**

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

**OREGON TV, LLC**

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

## **SCHEDULE A**

### **TRANSITION SERVICES**

The Transition Services provided to Buyer shall include the following services performed by Chambers on behalf of Seller prior to Closing:

- 1) Digital Services
  - a. Web Hosting
  - b. Email Hosting
  - c. Content Management System
- 2) Payroll
- 3) Accounting Services
- 4) Human Resources

Buyer may, if it chooses to do so, contract directly with former employees of Seller to perform all or any part of the Transition Services and Seller will reasonably cooperate in the delivery of Transition Services with any such contractors.

## **SCHEDULE B**

### **TRANSITION SERVICES FEES**

The Transition Services Fees shall be equal to (i) the actual direct payroll costs incurred by Provider with respect to Provider's employee's time allotted to providing the Transition Services to Buyer and (ii) any actual out of pocket third-party costs incurred on behalf of Buyer in providing the Transition Services to Buyer. If any costs are incurred for the benefit of Buyer and Provider, such costs shall be proportionately allocated among the parties based on the relative benefits received in respect of such costs.