

EQUITY PURCHASE AGREEMENT

This **EQUITY PURCHASE AGREEMENT** is made this 14th day of January, 2015, by and between Sinclair Communications, LLC ("*Seller*"), and HSH Las Vegas (KVMY), LLC and HSH Las Vegas (KVMY) Licensee, LLC (collectively, "*Buyer*").

Seller is the sole owner of all the issued and outstanding stock of Montecito Broadcasting Corporation ("*Montecito*"). Montecito is the sole owner of all the issued and outstanding stock of Channel 33, Inc. ("*Channel 33*"). Channel 33 is a party to that certain Asset Purchase Agreement, dated September 2, 2014 (the "*APA*"), between Channel 33 and Southern Nevada Communications, LLC relating to the Federal Communications Commission (the "*FCC*") license of commercial television broadcast station KVMY-TV, Las Vegas, NV (Facility ID No. 69677) ("*KVMY*"), pursuant to licenses issued by the Federal Communications Commission (the "*FCC*"). KVMY serves the Las Vegas, NV television market (the "*DMA*").

Seller and Buyer agreed that immediately after the sale of transaction contemplated by the APA (the "*Other Transaction*"), Seller will sell and cause to be transferred to Buyer and Buyer will acquire all the issued and outstanding stock of Montecito (the "*Equity*") on the terms and subject to the conditions set forth in this agreement and will purchase certain other assets from an affiliate of Seller. Article 11 of this Agreement contains a glossary of defined terms.

THEREFORE, intending to be legally bound, the parties agree as follows:

1. PURCHASE OF EQUITY

1.1. Closing. Subject to satisfaction or waiver of the conditions set forth in **Section 5**, the closing of the sale and purchase of assets hereunder (the "*Closing*") shall take place at a location determined by Buyer and Seller, on a date (the "*Closing Date*") designated by Buyer and Seller, which date shall be no later than one day following the grant of the close of the Other Transaction and the FCC Consent (as defined in Section 4.1), or at such other time as Buyer and Seller may mutually agree. The effective time of the Closing shall be 12:01 a.m., local Las Vegas time, on the Closing Date (the "*Effective Time*").

1.2. Purchase. At the Closing, Seller shall assign, transfer and convey to Buyer, and Buyer shall acquire from Seller all of Seller's right, title and interest in the Equity. At the Closing, Seller shall, or shall cause its affiliate to, assign, transfer and convey to Buyer, and Buyer shall acquire from Seller all of Seller's right, title and interest in the equipment and other assets listed on Schedule 1.2 (the "*Transmission Assets*").

1.3. FCC Licenses. At the Closing, Montecito and/or Channel 33 shall own the following assets (the "*Equity Assets*"):

- (a) the FCC licenses identified on Schedule 1.3(a) (the "*FCC Licenses*"); and
- (b) the public inspection file for KVMY.

- (c) Buyer shall assume all or a portion of the retransmission consents agreements relating to KVMY, as determined by Seller.

The Equity Assets and the Transmission Assets (collectively referred to herein as, the "*Assets*") shall be delivered to Buyer in "as is, where is" condition, without any representation or warranty except as expressly set forth in Section 2 of this Agreement, and Buyer acknowledges that it has not relied on or been induced to enter into this Agreement by any representation or warranty other than as set forth in Section 2 of this Agreement. The Assets shall be conveyed free and clear of all debts, liens, mortgages, pledges, security interests, claims, liabilities and encumbrances ("*Liens*") except for Permitted Liens, if any, and except as otherwise expressly provided in this Agreement.

1.4. Excluded Assets. Buyer acknowledges that it is not buying the business of KVMY as a going concern. The Assets shall not include any properties, assets, privileges, rights, interests, claims, real or personal, tangible or intangible, of any type or description, of Seller except as set forth in Sections 1.2 and 1.3. Specifically, but not as a limitation, Seller shall retain any license or programming not listed on the Schedules hereto or referenced in Section 1.6 below, agreements with programmers, agreements with advertisers, employees, studio equipment, and studios and other offices used in the operation of KVMY, and all other assets of Seller except as specifically set forth in Sections 1.2 and 1.3.

1.5. Purchase Price. In consideration for the sale of the Equity, at Closing, Buyer shall, in addition to assuming the Assumed Obligations, as defined in section 1.6, pay Seller One Hundred Fifty Thousand Dollars (\$150,000) (the "*Purchase Price*"), of which Twenty-Five Thousand Dollars (\$25,000) shall be for the Equity and One Hundred Twenty-Five Thousand Dollars (\$125,000) shall be for the Transmission Assets, by wire transfer of immediately available funds pursuant to wire instructions which Seller shall provide to Buyer.

1.6. Assumption of Obligations. At the Closing, Buyer shall assume and undertake to pay, satisfy, perform or discharge: all liabilities, obligations and commitments arising from or relating to the ownership of the Equity and the Assets at and after the Effective Time, including the programming or network agreements related to programming carried on the Station as of the Closing Date (collectively, the "*Assumed Obligations*"). Except as set forth in this Section 1.6, Buyer does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any other liabilities, obligations or commitments of Seller of any nature whatsoever.

1.7. Prorations.

(a) All expenses arising from the ownership and operation of the KVMY shall be prorated between Buyer and Seller as of the Effective Time in accordance with generally accepted accounting practices. Such prorations shall be based upon the principle that Seller shall be responsible for all liabilities accruing in connection with the ownership and operation of the KVMY until the Effective Time, and Buyer shall be responsible for all such liabilities accruing thereafter. Such prorations shall include FCC regulatory fees, real and personal property taxes, utility expenses, rents, deposits and similar prepaid and deferred items. Real and personal property taxes shall be apportioned on the basis of the latest available tax bill.

Taxes arising by reason of the transfer of the Equity shall not be prorated but shall be paid in accordance with Section 1.7.

(b) Three (3) business days prior to Closing, Seller shall deliver to Buyer a preliminary list of all items to be prorated pursuant to **Section 1.6(a)** (the "*Preliminary Proration Schedule*"), and, to the extent that Buyer and Seller agree, such preliminary prorations shall be credited against or added to the Purchase Price at Closing. In the event Buyer and Seller do not reach a final agreement on such prorations at Closing, Seller shall deliver to Buyer a schedule of its proposed prorations (the "*Proration Schedule*") no later than forty-five (45) days after the Closing Date. The Proration Schedule shall be conclusive and binding upon Buyer unless Buyer provides SELLER with written notice of objection (the "*Notice of Disagreement*") within ten (10) days of Buyer's receipt of the Proration Schedule, which notice shall state the prorations proposed by Buyer ("*Buyer's Proration Amount*"). Seller shall have ten (10) days from receipt of a Notice of Disagreement to accept or reject Buyer's Proration Amount. If Seller rejects Buyer's Proration Amount, and the amount in dispute exceeds \$10,000, either party may submit the dispute for resolution to an independent certified public accountant mutually agreeable to Buyer and Seller (the "*Referee*"), such resolution to be made within twenty (20) days after submission to the Referee and to be final, conclusive and binding on SELLER and Buyer. If the amount in dispute is equal to or less than \$10,000, such amount shall be divided equally between Buyer and Seller. Except as specified in the following sentence, the cost of any arbitration (including the fees and expenses of the Referee) pursuant to this Section 1.7(b) shall be borne by Buyer and Seller in inverse proportion as they may prevail on matters resolved by the Referee, which proportional allocations shall also be determined by the Referee at the time the determination of the Referee is rendered on the matters submitted. The fees and expenses (if any) of Buyer's independent auditors and attorneys incurred in connection with the review of the Proration Schedule shall be borne by Buyer, and the fees and expenses (if any) of Seller's independent auditors and attorneys incurred in connection with their review of the Notice of Disagreement shall be borne by Seller.

(c) Payment by Buyer or Seller, as the case may be, of the proration amounts determined pursuant to Section 1.7(b) shall be due five (5) days after the last to occur of (i) Buyer's acceptance of the Proration Schedule or failure to give Seller a timely Notice of Disagreement; (ii) Seller's acceptance of Buyer's Proration Amount or failure to reject Buyer's Proration Amount within ten (10) days of receipt of the Notice of Disagreement; (iii) Seller's rejection of Buyer's Proration Amount in the event the amount in dispute equals or is less than \$10,000; and (iv) notice to Seller and Buyer of the resolution of the disputed amount by the Referee in the event that the amount in dispute exceeds \$10,000. Notwithstanding the foregoing, in the event that Buyer delivers a Notice of Disagreement, Seller or Buyer shall be required to make a payment of any undisputed amount to the other regardless of the resolution of the items contained in the Notice of Disagreement, and Seller or Buyer, as applicable, shall within ten (10) days of the receipt of the Notice of Disagreement make payment to the other of such undisputed amount owed by Seller or Buyer to the other, as the case may be, pending resolution of the Notice of Disagreement together with interest thereon, calculated as described below. Any payment required by Seller to Buyer or by Buyer to Seller, as the case may be, under this Section 1.7(c) shall be paid by wire transfer of immediately available federal funds to the account of the payee with a financial institution in the United States as designated by Seller in the Proration Schedule or by Buyer in the Notice of Disagreement (or by separate notice in the event that Buyer does not send a Notice of Disagreement). If either Buyer or Seller fails to pay when due

any amount under this Section 1.7(c), interest on such amount will accrue from the date payment was due to the date such payment is made at a per annum rate of five percent (5%), and such interest shall be payable upon demand.

1.7. Transfer Taxes. Buyer shall pay all recordation, documentary, excise, transfer, sales or use or similar Taxes or fees, if any, imposed by any Governmental Authority on or relating to the transaction and transfers contemplated by this Agreement.

2. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

2.1. Organization and Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland. Seller has all necessary corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereby.

2.2. Binding Obligation. Seller's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by Seller and constitutes its valid and binding obligation, enforceable against Seller in accordance with its terms.

2.3. Absence of Conflicting Agreements or Required Consents. Except as set forth on Schedule 2.3, the execution, delivery and performance of this Agreement by Seller: (a) does not and will not require the consent, approval, authorization or other action by, or filing with or notification to, any third party or Governmental Authority, other than as contemplated by Section 4.1; (b) does not and will not violate any provisions of Seller's organizational documents; and (c) does not and will not violate any applicable Law.

2.4. FCC Licenses. Seller makes no representations or warranties concerning the FCC Licenses.

2.5. Title to and Condition of the Assets and Equity. Montecito or Channel 33 will have good and transferable title to the Assets immediately prior to the Effective Time. The Transmission Assets are in good operating condition (reasonable wear and tear excepted). Except as set forth on Schedule 2.5, as of the Effective Time, there will be no Liens on the Equity or the Transmission Assets other than Permitted Liens.

2.6. Absence of Litigation. Subject to sections 2.4 and 2.3, above, there is no claim, litigation, arbitration or proceeding pending or, to Seller's knowledge, threatened, before or by any court, Governmental Authority or arbitrator that seeks to enjoin or prohibit, that questions the validity of, or that might materially hinder or impair Seller's performance of its obligations under this Agreement.

2.7. Broker's Fees. Neither Seller nor any party acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

3. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

3.1. Organization and Standing. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Delaware. Buyer has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby.

3.2. Authorization and Binding Obligation. Buyer's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms.

3.3. Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance of this Agreement by Buyer (a) does not and will not require the consent, approval, authorization or other action by, or filing with or notification to, any third party or Governmental Authority, other than as contemplated by Section 4.1; (b) does not and will not violate any provisions of Buyer's organizational documents; and (c) does not and will not violate any applicable Law.

3.4. FCC Qualifications. Buyer is qualified under the Communications Laws to be the assignee of the FCC Licenses. There are no facts known to Buyer that would prevent or unreasonably delay the consummation of the transactions contemplated by this Agreement. Buyer is not required to obtain any waiver of any FCC rule or regulation in order to obtain the FCC Consent (as defined below), nor will processing pursuant to any exception to a rule of general applicability be requested or required in connection with the consummation of the transactions contemplated by this Agreement.

3.5. Absence of Litigation. There is no claim, litigation, arbitration or proceeding pending or, to Buyer's knowledge, threatened before any court, Governmental Authority or arbitrator, that seeks to enjoin or prohibit, questions the validity of, or that might materially hinder or impair Buyer's performance of its obligations under this Agreement.

3.6. Broker's Fees. Neither Buyer nor any party acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

4. COVENANTS

4.1. FCC Application. Within ten (10) business days of the date of this Agreement, Seller and Buyer shall prepare and jointly file a complete and grantable application with the FCC requesting its consent to the assignment of the FCC Licenses to Buyer (the "*FCC Application*"). Subject to Schedule 4.1, Seller and Buyer shall prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the FCC's grant of the FCC Application (the "*FCC Consent*") as expeditiously as possible. Subject to Schedule 4.1, without limiting the foregoing, Seller and Buyer will fully cooperate in the

taking of all necessary and proper steps, and provide any additional information reasonably requested, and use their respective commercially reasonable efforts to resolve objections that may be asserted by the FCC or any third party, in order to obtain the FCC Consent promptly. If reconsideration or judicial review is sought with respect to the FCC Consent, the party or parties affected shall diligently oppose such efforts for reconsideration or judicial review. Buyer and Seller shall share all FCC Application filing fees equally. Each party shall otherwise bear its own costs and expenses (including the fees and disbursements of its counsel) in connection with the preparation of the portion of the FCC Application to be prepared by it and in connection with the processing and defense of the FCC Application.

4.2. No Pre-Closing Control of KVMY. Prior to the Closing, Buyer shall not, directly or indirectly, control, supervise or direct the operations of KVMY.

4.3. Access to KVMY. Between the date of this Agreement and the Closing Date, Seller shall use commercially reasonable efforts to give Buyer and its engineers and other representatives reasonable access during normal business hours to the Assets, and shall use commercially reasonable efforts to furnish Buyer with all information related to the Assets that Buyer reasonably requests. Buyer's rights under this Section 4.3 shall not be exercised in a manner that would disrupt or interfere unreasonably with the operation of KVMY.

4.4. Confidentiality; Publicity. Each party shall keep confidential all information obtained by it with respect to the other in connection with this Agreement, except if such information is known or available through other lawful, publicly available sources or if such party is advised by counsel that its disclosure is required in accordance with applicable Law, in which case the party required to make such disclosure shall use reasonable efforts to notify the other party prior to making such disclosure. Except with the prior written consent of the other party, which consent shall not be unreasonably withheld, neither party shall discuss this Agreement or the transactions contemplated hereby with any member of the press or issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement. Following the filing of the FCC Application either party may publicly disclose or announce that the FCC Application has been filed, including a description of the transactions contemplated by this Agreement.

4.5. No Solicitation. From the date hereof through the Closing Date, neither Seller nor any its officers, directors, representatives or agents shall participate in, encourage, solicit or initiate any discussion or negotiations, or enter into any agreement, concerning the sale of KVMY or the Assets.

4.6. Cooperation. Each party shall cooperate fully with one another, shall use reasonable efforts to cause the fulfillment at the earliest practicable date of all the conditions to the obligations of the other party to consummate the purchase and sale contemplated by this Agreement and shall not take any action that conflicts with its obligation hereunder or that causes its representation and warranties to be untrue in any material respect.

4.7. Further Assurances. Seller and Buyer shall cooperate and take such actions, and execute such other documents, at the Closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

4.8. Other Agreements. At the Closing, Seller and Buyer shall enter into an agreement regarding Buyer's use of a portion of Seller's tower, facilities, equipment, and studio currently associated with KVMY in the form of the tower and studio license agreement attached hereto as Exhibit A (the "*Tower and Studio License Agreement*") and the Option Agreement attached hereto as Exhibit B. Seller and Buyer shall take other actions as set forth on Schedule 4.8.

5. CONDITIONS PRECEDENT

5.1. Conditions Precedent to Seller's Obligation to Close. The obligation of Seller to consummate the sale of the Equity, at its option, subject to satisfaction of each of the following conditions at or prior to the Closing:

(a) **Bring Down of Representations and Warranties.** All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if made on and as of that date, except to the extent such representations and warranties expressly relate to an earlier date or time, in which case they shall be true and correct only as of such earlier date or time.

(b) **Performance of Covenants.** All of the terms, covenants and conditions to be complied with and performed by Buyer under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) **FCC Consent.** The FCC Consent shall have been granted.

(d) **No Injunction.** No injunction, order, decree or judgment of any court, agency or other Governmental Authority shall be in effect that would prohibit or render unlawful the consummation of the transactions contemplated by this Agreement.

(e) **Deliveries.** Buyer shall have made or stand willing to make all the deliveries required under Section 6.1.

(f) **Other Transaction.** The Other Transaction shall have closed.

(g) **Other Conditions.** The other conditions set forth on Schedule 5.1(g) shall be satisfied.

5.2. Conditions Precedent to Buyer's Obligation to Close. The obligation of Buyer to consummate the purchase of the Equity is, at its option, subject to satisfaction of each of the following conditions at or prior to the Closing:

(a) **Bring Down of Representations and Warranties.** All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if made on and as of that date, except to the extent such representations and warranties expressly relate to an earlier date or time, in which case they shall be true and correct only as of such earlier date or time.

(b) **Performance of Covenants.** All of the terms, covenants and conditions to be complied with and performed by Seller under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) **FCC Consent.** The FCC Consent shall have been granted.

(d) **No Injunction.** No injunction, order, decree or judgment of any court, agency or other Governmental Authority shall be in effect that would prohibit or render unlawful the consummation of the transactions contemplated by this Agreement.

(e) **Deliveries.** Seller shall have made or stand willing to make all the deliveries required under Section 6.2.

6. DOCUMENTS TO BE DELIVERED AT THE CLOSING

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

(a) a certificate of an officer of Buyer, in a form and substance reasonably satisfactory to Seller, dated as of the Closing Date, certifying to the fulfillment of the conditions set forth in Sections 5.2(a) and (b);

(b) a certificate of good standing for Buyer;

(c) an assignment of the Equity, executed by Buyer;

(d) the Tower and Studio License Agreement, executed by Buyer; and

(e) the Purchase Price in immediately available wire transferred funds as provided in Section 1.4(b).

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

(a) a certificate of an officer of Seller, in a form and substance reasonably satisfactory to Buyer, dated as of the Closing Date, certifying to the fulfillment of the conditions set forth in Sections 5.1(a) and (b);

(b) a certificate of good standing for Seller;

(d) an assignment of the Equity, executed by Seller;

(c) the Tower and Studio License Agreement, executed by Seller; and

(d) termination statements or other appropriate documents, if necessary, evidencing the release or termination of any Liens on any of the Assets other than Permitted Liens.

7. TERMINATION RIGHTS

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

- (a) by mutual written agreement of Seller and Buyer;
- (b) by either party upon written notice to the other if there shall be in effect any Law, final judgment, final decree or Final Order that prevents or makes unlawful the Closing;
- (c) by either party upon written notice to the other if the other party is in material breach or default of this Agreement, and such breach or default has not been waived by the party giving such termination notice.

7.2. Effect of Termination. If this Agreement is terminated as provided in Section 7.1, this Agreement will forthwith become null and void and neither party shall have any liability to the other except as provided in Article 8 (Remedies Upon Default) and except also that the provisions of the parties described in Section 4.4 (Confidentiality; Publicity) and Article 10 (Other Provisions) will survive any such termination.

8. REMEDIES UPON DEFAULT

8.1. Remedies for Parties. If this Agreement is terminated or the Closing does not occur by reason of a party's material breach or default under this Agreement, then the non-breaching party shall be entitled to all remedies available at law or in equity, and reasonable attorney's fees incurred by the non-breaching party in enforcing its rights under this Agreement.

9. SURVIVAL

9.1. Survival. The covenants, agreements, representations, and warranties in this Agreement shall survive the Closing for a period of six (6) months from the Closing Date, whereupon they shall expire and be of no further force or effect except to the extent that a specific claim for indemnification shall have been made prior to the end of the survival period, in which case the specific claim shall survive until resolved; provided, however, that the liability for any breach of any agreement covenant, representation or warranty under this Agreement shall be limited to the amount of the Purchase Price.

10. OTHER PROVISIONS

10.1. Costs and Expenses. Except as specifically set forth in Sections 1 and 4.1 each party shall bear its own costs and expenses incurred by it in connection with this Agreement.

10.2. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign this Agreement without the prior written consent of the other party hereto. Any assignment pursuant to this Section 10.2 will not relieve the assigning party from any of its obligations and liabilities under this Agreement.

10.3. Entire Agreement. This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. Any matter that is disclosed in a schedule hereto in such a way as to make its relevance to the information called for by another schedule readily apparent shall be deemed to have been included in such other schedule, notwithstanding the omission of an appropriate cross-reference. No amendment, waiver of compliance with any provision or condition 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 any waiver, amendment, change, extension or discharge is sought. No failure or delay on the part of Seller or Buyer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

10.4. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

10.5. Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal Holiday, then such time shall be extended until the next business day.

10.6. Governing Law; Venue; Waiver of Jury Trial; Rule of Construction; Attorney's Fees. The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to its principles of conflict of law. In the event of any dispute involving this Agreement or any other instrument executed in connection herewith, SELLER AND BUYER EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY. SELLER and Buyer each acknowledges that counsel has represented it in the negotiation, execution, and delivery of this Agreement and has fully explained the meaning of the Agreement, including in particular the jury-trial waiver. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement. In the event of any dispute between the parties to this Agreement,

SELLER or Buyer, as the case may be, shall reimburse the prevailing party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing party may have under this Agreement.

10.7. No Third Party Beneficiaries. No person who is not a party to this Agreement shall be deemed to be a beneficiary of any provision of this Agreement, and no such person shall have any claim, cause of action, right or remedy pursuant to this Agreement.

10.8. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to Seller:

President
Sinclair Television Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Telephone: (410) 568-1500

With a copy to:

Sinclair Television Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: General Counsel
Telephone: (410) 568-1500

If to Buyer:

Armstrong Williams
HSH Las Vegas (KVMY) Licensee, LLC
201 Massachusetts Avenue, NE, Suite C-1
Washington, DC 20002
Fax: (202) 546-1218

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

Colby M. May, Esq.
205 3rd Street, SE
PO Box 15473
Washington, DC 20003
Fax: (202) 544-5172

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile and received prior to 5:00 p.m. in the place of receipt (but only if a hard copy is also sent by

overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

10.9. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

10.10. Counterparts; Faxed Signatures. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. This Agreement shall become binding when one or more counterparts, individually or taken together, bear the signatures of all parties. A facsimile copy or electronic copy of any signature page shall be deemed an original signature for all purposes.

11. DEFINITIONS

11.1. Defined Terms. Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"Agreement" shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.

"Assets" shall have the meaning set forth in Section 1.3.

"Assumed Obligations" shall have the meaning set forth in Section 1.6.

"DMA" shall have the meaning set forth in the Preamble to this Agreement.

"Business Day," whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

"Claim" shall have the meaning set forth in Section 7.3.

"Closing" shall have the meaning set forth in Section 1.1.

"Closing Date" shall have the meaning set forth in Section 1.1.

"Communications Laws" shall have the meaning set forth in Section 2.4.

"Effective Time" s shall have the meaning set forth in Section 1.1.

"FCC" shall have the meaning set forth in the Preamble to this Agreement.

"FCC Application" shall have the meaning set for in Section 4.1.

"FCC Consent" shall have the meaning set forth in Section 4.1.

"Final Order" means an action by the FCC (i) which has not been vacated, reversed, stayed, or suspended; (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending; and (iii) as to which the time for filing any such appeal, request, petition, or similar documents or for the reconsideration or review by the FCC on its own motion under the Communications Laws has expired.

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

"Buyer" shall have the meaning set forth in the Preamble to this Agreement.

"Buyer's Proration Amount" shall have the meaning set forth in Section 1.7(b).

"FCC Licenses" shall have the meaning set forth in Section 1.3(a).

"Law" means any United States (federal, state, local) or foreign statute, law, ordinance, regulation, rule, code, order, judgment, injunction or decree.

"Liens" shall have the meaning set forth in Section 1.2.

"KVMY" shall have the meaning set forth in the Preamble to this Agreement.

"Notice of Disagreement" shall have the meaning set forth in Section 1.7(b).

"Permitted Liens" means, as to any Asset, (a) Liens for Taxes, assessments and other governmental charges not yet due and payable; (b) Liens that do not in any material way detract from the value of the property subject thereto or in any material way interfere with or impair the present and continued use thereof in the usual and normal conduct of the business of KVMY; (c) zoning laws and ordinances and similar Laws that are not violated by any existing improvement or that do not prohibit the use of the real property under the Tower and Studio License Agreement as currently used in the operation of the KVMY; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the permits); (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor, (ii) any statutory Lien for amounts that are not yet due and payable or are being contested in good faith and (iii) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property; (f) inchoate materialmen's, mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business; and (g) Liens that will be discharged prior to the Closing.

"Preliminary Proration Schedule" shall have the meaning set forth in Section 1.7(b).

"Proration Schedule" shall have the meaning set forth in Section 1.7(b).

"Purchase Price" shall have the meaning set forth in Section 1.4.

"Referee" shall have the meaning set forth in Section 1.7(b).

"Seller" shall have the meaning set forth in the Preamble to this Agreement.

"Tax" or *"Taxes"* means all federal, state, local or foreign excise, sales, use, franchise, property, transfer, intangible or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any Tax authority with respect thereto.

"Tower and Studio License Agreement" shall have the meaning set forth in Section 4.8.

"Transmission Assets" shall have the meaning set forth in Section 1.2.

Section 11.2. Terms Generally. The term *"or"* is disjunctive; the term *"and"* is conjunctive. The term *"shall"* is mandatory; the term *"may"* is permissive. Masculine terms apply to females; feminine terms apply to males. The term *"include," "includes"* or *"including"* is by way of example and not limitation.

[Signatures following this page.]

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

SINCLAIR COMMUNICATIONS, LLC

By: Sinclair Television Group, Inc., its sole member

By: _____

David B. Aron
COO/EVP

Buyer:

HSH LAS VEGAS (KVMY), LLC

By: _____

Armstrong Williams
Manager Sole owner

HSH LAS VEGAS (KVMY) LICENSEE, LLC

By: _____

Armstrong Williams
Manager Sole owner

Exhibit A

TOWER AND STUDIO LICENSE AGREEMENT

This Tower and Studio License Agreement ("*License Agreement*") is made and entered into as of _____, 2015, by and between Sinclair Communications, LLC, a Maryland limited liability company ("*Sinclair*"), and _____ ("*HSH*").

WHEREAS, Sinclair and HSH are parties to that certain Asset Purchase Agreement, dated as of __, 2015, pursuant to which HSH acquired the equity of the entity that owns certain of the assets and licenses of commercial television station KSNV-DT, Las Vegas, NV ("*Station*") from Sinclair;

WHEREAS, Sinclair is the owner of a tower and broadcast and office facilities and equipment located in Las Vegas, NV market (the "*Sinclair Facilities*"), a portion of which Sinclair housed its operation of Station;

WHEREAS, Sinclair desires to grant to HSH a license to use space on its tower discrete studio and broadcast equipment, set forth on Exhibit A hereto (the "*Licensed Premises and Equipment*") within the Sinclair Facilities for the operation of Station; and

NOW, THEREFORE, in consideration of the mutual promises set forth herein, Sinclair and HSH hereby agree as follows:

1. License. Subject to any third party consents required for such licenses (as determined by Sinclair), Sinclair, in consideration of the fees and covenants herein stipulated to be paid or performed by HSH, hereby licenses to HSH and HSH hereby licenses from Sinclair upon and subject to the terms, covenants and conditions hereinafter set forth, the Licensed Premises and Equipment

2. Term. The term of this License Agreement shall be from the date hereof for eight years, after which this Agreement shall continue until the date that is one eighty (180) days after the day either party gives the other party written notice of termination (the "*License Term*").

3. Fee. During the License Term, HSH shall pay Sinclair a monthly fee in the amount of \$70,000, which shall be due and payable in advance on the first day of each month. HSH shall also pay Sinclair any third party costs that Sinclair incurs as a result of the license under this Agreement, including but not limited to any extra rent, common area charges, taxes and utilities.

4. Use of Licensed Premises and Equipment.

HSH agrees to take reasonable care of the Licensed Premises and Equipment, subject to reasonable and normal wear and tear. HSH shall reimburse Sinclair for all costs and expenses incurred by Sinclair in connection with any repairs associated with any and all damage to the Sinclair Facilities caused by HSH, its

employees, agents or invitees. HSH shall return the Licensed Premises and Equipment to Sinclair in as good condition as said Licensed Premises and Equipment are in on the date hereof, reasonable and normal wear and tear excepted.

5. Alterations. HSH shall make no alterations, additions, changes or improvements to the Sinclair Facilities without the prior written consent of Sinclair, which consent may be withheld in the sole and absolute discretion of Sinclair.

6. Indemnity. HSH agrees to indemnify, defend and hold harmless Sinclair from any loss, attorney's fees, court and other costs or claims for damages arising out of use and/or occupancy of the Sinclair Facilities by HSH or its agents, employees or invitees, unless caused solely by Sinclair's intentional acts or gross negligence.

7. Assignment; Sublicensing. HSH may not assign this License Agreement nor sublicense all or any part of the Licensed Premises and Equipment at anytime to any other party.

8. Mechanics' Liens. HSH shall not suffer or permit any mechanics' liens to be filed against the Licensed Premises and Equipment.

9. Default. If HSH defaults in fulfilling any of its covenants or obligations hereunder, Sinclair at its option may terminate and end this License Agreement and all rights of the HSH hereunder. Any waiver, express or implied, by either party of any breach of this License Agreement or any terms, conditions or promises herein contained shall not be or construed to be a waiver of any subsequent breach of the same or any other term, condition or promise herein and the payment by the HSH and acceptance by the Sinclair of the fee hereunder shall not be construed to be a waiver of any breach of terms or conditions herein except as to the particular installment of the fee so paid and accepted. Each party shall have the right to set off any amount due to it under this License Agreement by the other party that is not paid within fifteen (15) days that such payment is due, and at such time to accelerate and make due immediately all additional amounts due hereunder, against any amounts previously owed, currently owed, or to be owed at any time in the future by such party or any of its affiliates to the other party or any of its affiliates under this Agreement or any other agreement to which HSH and Sinclair or any of their affiliates are parties.

10. Surrender of Licensed Premises and Equipment. HSH, upon the expiration of the License Term or the earlier termination of this License Agreement, shall surrender to Sinclair all of its rights to use the Licensed Premises and Equipment in accordance with the terms and conditions provided for in **Section 4(b)** hereof.

11. Notices or Demands. Any notice, demand or request required or permitted to be given under the provisions of this License Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to Sinclair:

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

With a copy to:

Sinclair Television Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: General Counsel
Fax: (410) 568-1537

If to HSH:

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

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile and received prior to 5:00 p.m. in the place of receipt (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

12. Covenants to Bind and Benefit Respective Parties. This License Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of Sinclair and HSH.

IN WITNESS WHEREOF, the parties hereto have executed this Studio License Agreement as of the date first written above.

SINCLAIR TELEVISION GROUP, INC.

By: _____

HSH

By: _____

Exhibit A

Use of the Sinclair's tower and transmission system as used by KVMY on the date hereof or other similar accommodations as determined by the parties.

Non-exclusive studio space in Sinclair's current facility sufficient for HSH to transmit its signal and to comply with the FCC requirements to maintain the license, including, use of the STL.

Exhibit B

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “Agreement”) is made as of the ____ day of _____, 201_, by Sinclair Television Group, Inc., its successors or assigns (the “Optionee”), and HSH Las Vegas (KVMY), LLC and HSH Las Vegas (KVMY) Licensee, LLC (collectively, the “Optionor”).

Explanatory Statement

Optionor is, as of the date hereof, the owner or the parent of the owner of certain of the assets, including the FCC Licenses (as defined below) (collectively, the “Assets”) of television broadcast station KVMY-TV, Las Vegas, NV (the “Station”). Optionee and Optionor desire to enter into this Agreement to provide Optionee an option to acquire the Assets or the issued and outstanding equity of Optionor.

Optionee and Optionor desire to enter into this Agreement to provide Optionee an option to acquire the Assets or the issued and outstanding equity of Optionor.

NOW, THEREFORE, IN CONSIDERATION OF the premises and mutual covenants, promises and agreements set forth herein, the parties represent, warrant, covenant and agree as follows:

1. **Grant of Option** Optionor hereby grants to the Optionee, subject to the terms and conditions hereinafter set forth, the option (the “Option”) to purchase the Assets or to elect to acquire all of the issued and outstanding equity (the “Equity”) of the entity that owns the Assets as provided in the APA (as defined below). The Assets shall include the FCC Licenses which shall be defined as all licenses, permits, construction permits and other authorizations held by Optionor issued by or pending before the United States Federal Communications Commission necessary for the operation of the Station and all other assets owned by the Optionor relating to the Station.

2. **Term and Exercise.**

(a) The Optionee may exercise this Option at any time prior to the expiration of this Option, which, subject to 2(b) below, expiration shall occur eight (8) calendar years from the date of this Agreement (the “Exercise Period”); provided, however, that the closing on the purchase of the Assets may take place after the expiration of the Exercise Period so long as Optionee has delivered the Exercise Notice (as defined in Section 2(c) below) prior to the expiration of the Exercise Period.

(b) Provided Optionee is not in material default under this Agreement or any other written agreement between Optionor and Optionee, Optionee shall have the right to extend the Exercise Period for five (5) additional eight (8) year terms (each a “Extension Term”); provided, however if Optionee does not provide written notice to Optionor of its intention to terminate (a “Notice of Termination”) this Agreement no later than six (6) months prior to the

end of the applicable Exercise Period, this Agreement shall automatically renew for the applicable Extension Term.

(c) The Optionee shall exercise the Option by giving written notice (the "Exercise Notice") of the Optionee's exercise of this Option.

(d) No later than five (5) calendar days, unless extended by Optionee, after receipt by Optionor of the Exercise Notice, Optionor and Optionee shall execute and enter into the Asset Purchase Agreement substantially in the form attached hereto as Exhibit A (the "APA").

3. **Consideration for Option.** The Optionee shall pay to the Optionor for the grant of the Option Ten Thousand Dollars (\$10,000) in the aggregate (the "Grant Price"), which shall be paid by certified check or wire transfer of immediately available funds on the date of this Agreement.

4. **Exercise Price.** On the Closing Date (as defined in the APA), Optionee shall pay to Optionor as full and final payment under the APA the amount of set forth in the APA, subject to any adjustments as provided by the APA.

5. **Representations and Warranties of the Optionor and Optionee.**

(a) Optionor represents and warrants to Optionee as follows:

(i) **Organization and Authority of Seller.** Optionor is a corporation or limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware. Optionor has the requisite corporate power and authority to execute, deliver and perform this Agreement and the documents contemplated hereby according to their respective terms.

(ii) **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Optionor has been duly authorized by all necessary corporate or other required action on the part of Optionor. This Agreement has been duly executed and delivered by Optionor and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(b) Optionee represents and warrants to Optionor as follows:

(i) **Organization and Authority of Seller.** Optionee is a corporation duly organized, validly existing, and in good standing under the laws of the State of Maryland. Optionee has the requisite power and authority to execute, deliver and perform this Agreement and the documents contemplated hereby according to their respective terms.

(ii) **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Optionee has been duly authorized by all necessary required action on the part of Optionee. This Agreement has been duly executed and delivered by Optionee and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

6. **Deliveries by Optionor on the Closing Date.** On the Closing Date, Optionor shall deliver to Optionee the following:

(a) a certificate of Optionor executed by a duly authorized person dated as of the Closing Date to the effect that, except as specified in such certificate, the representations of Optionor set forth in Section 5(a) of this Agreement are true, accurate, and complete in all respects;

(b) a certificate as to the existence and/or good standing of Optionor issued by the Secretary of State the State of Delaware or such other jurisdiction, as applicable, dated no earlier than three (3) calendar days prior to the Closing Date;

(c) a receipt for payment of the Exercise Price; and

(d) such other documents as Optionee may reasonable request.

7. **Deliveries by Optionee on the Closing Date.** On the Closing Date, Optionee shall deliver to Optionor the following:

(a) a certificate of Optionee executed by a duly authorized person dated as of the Closing Date to the effect that, except as specified in such certificate, the representations and warranties of Optionee set forth in Section 5(b) of this Agreement are true, accurate and complete in all respects;

(b) the Exercise Price payable in cash by wire transfer of immediately available funds;

(c) a certificate issued by the Secretary of State of the State of Maryland certifying as to the good standing and/or qualification of Optionee in such jurisdiction; and

(d) such other documents as Optionor may reasonably request.

8. **Notice of Certain Additional Events.** In the event of any consolidation of the Optionor with, or merger of the Optionor into, any other entity (other than a merger in which the Optionor is the surviving company); any transfer of all or substantially all of the assets of the Optionor; or the dissolution, liquidation, or winding up of the Optionor, the Optionor shall give Optionee at least twenty (20) calendar days' prior written notice of the date which shall be the

record date for determining Optionor's stockholders entitled to vote upon such consolidation, merger, share exchange, transfer, dissolution, liquidation, or winding up.

9. Assignment; Covenants; Survival

(a) **Assignment.** Upon prior written notice to Optionor, the Optionee may freely assign his or its rights under this Agreement. Optionor may only assign this Agreement with the express consent of Optionee in its sole discretion. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Any assignee of a party hereto shall be a party to this Agreement for all purposes hereof.

(b) **Covenants.** During the term of this Agreement and until title to and beneficial ownership of the Assets or Equity, as applicable, transfers to the Optionee, Optionor and its affiliates covenant and agree as follows:

- i. to undertake any and all reasonable actions and comply with all reasonable requests of Optionee delivered to Optionor in writing which in any way pertain to the delivery of the Assets and the Equity, as applicable, and the transfer of title to and beneficial ownership therein to Optionee upon the exercise of this Agreement;
- ii. to pay all state, federal, and local taxes when due and on a current basis except to the extent any such taxes are the subject of a good faith challenge by Optionor;
- iii. to undertake any and all actions which Optionee may reasonably deem both necessary and appropriate to preserve Optionor's title to and beneficial ownership in all the Assets and the Equity, as well as the Optionor's rights to acquire the Assets and the Equity pursuant to the terms of this Agreement;
- iv. to keep the Assets and the Equity, and Optionor's title thereto and beneficial ownership therein, free from and clear of all restrictions, liens, claims, security interests, and encumbrances;
- v. to transfer title to and beneficial ownership in the Assets and Equity, as applicable, to Optionee, upon the exercise of this Option, free from and clear of all restrictions, liens, claims, security interests, and encumbrances;
- vi. to cause and cooperate in the filing of all application(s) (the "Application(s)") to renew the Station's FCC license and broadcast authorizations (the "FCC Authorizations");
- vii. to cause and cooperate in the taking of all commercially reasonable steps to prosecute and defend such Application(s) to a successful conclusion resulting in renewal of the FCC Authorizations on terms no less favorable than those existing prior to the renewal process;
- viii. upon receipt of an Exercise Notice, to take all appropriate action to file or cause to file promptly all Application(s) for the transfer of control of the Assets and Equity, as applicable, to Optionee, or to its

- subsidiary or assignee, as the case may be, and take all commercially reasonable steps to prosecute and defend such Application(s) to a successful conclusion resulting in the transfer of control of the Assets and Equity, as applicable, to Optionee or its subsidiary or assignee;
- ix. not to transfer or cause to be transferred any of the Assets, Equity and its beneficial ownership interest therein during the term of this Agreement except to Optionee;
 - x. not to undertake, initiate, support and/or vote for any action which would cause the Assets or Equity to be sold, leased, transferred, conveyed, or encumbered;
 - xi. not to issue any additional securities or rights to acquire additional securities of Optionor or its affiliates to any person or entity other than Optionee; and
 - xii. not to, by amendment of a charter or through any reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of assets, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but to, at all times and in good faith, assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of Optionee under this Agreement.

(c) Survival of Option on Certain Additional Events. This Option shall survive any consolidation of Optionor or any of its affiliates with, or merger of Optionor or any of its affiliates into, any corporation; any share exchange as defined in the Corporations and Associations Article of the Annotated Code of Maryland; any transfer of the Equity, Assets, stock, equity interest or the assets of Optionor or any of its affiliates; or dissolution, liquidation, or winding up of Optionor or any of its affiliates.

10. **Notices.** Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall either be (a) delivered personally to the party to whom it is directed, in which case a signed receipt therefore shall be received; (b) sent by certified mail, return-receipt requested, postage prepaid; (c) sent by telecopy; or (d) sent to overnight courier addressed to the parties at the addresses set forth below their several signatures, or to such other address or addresses as may be designated from time to time in accordance with this Section 10. Any such notice shall be deemed to be delivered, given, and received for all purposes of this Agreement as of (i) the date noted on the signed receipt if delivered personally; (ii) the date deposited in a regularly maintained receptacle for the deposit of the United States mail, if sent by certified mail; (iii) the date telecopied with confirmed receipt if sent via facsimile; or (iv) the next day after sent by overnight courier:

If to Optionor:

If to Optionee:

Sinclair Television Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: President
Fax: (410) 568-1537

With a copy (which shall not constitute notice) to:

General Counsel
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Fax: (410) 568-1537

11. **Additional Actions and Documents.** Each of the parties hereto agrees to take or cause to be taken such further actions, to execute, acknowledge, seal, and deliver or cause to be executed, acknowledged, sealed, and delivered the APA and such further instruments and documents and to use their reasonable efforts to obtain such requisite consents as any other party may from time to time reasonably request in order to fully effectuate the purposes and fulfill the intent of this Agreement.

12. **Binding Effect.** Each of the covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of their respective heirs, guardians, personal and legal representatives, successors, and permitted assigns.

13. **Maryland Law.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Maryland.

14. **Specific Performance.** In the event of a breach of this Agreement, any non-breaching party hereto may maintain an action for specific performance against the party or parties hereto who are alleged to have breached any of the terms, conditions, representations, warranties, provisions, covenants, or agreements herein contained, and it is hereby further agreed that no objection to the form of action in any proceeding for specific performance of this Agreement shall be raised by any party hereto so that such specific performance of this Agreement may not be obtained by the aggrieved party. Anything contained herein to the contrary notwithstanding, this Section 14 shall not be construed to limit in any manner whatsoever any other rights and remedies that an aggrieved party may have by virtue of any breach of this Agreement.

15. **Attorneys' Fees.** If a party to this Agreement breaches or threatens to breach this Agreement, such party shall pay all of the other parties' costs, expenses, and fees (including, without limitation, attorneys' fees) incurred as a result of or in connection with such breach or threatened breach.

16. **Headings.** The descriptive headings used in this Agreement are inserted for convenience only, and do not constitute a substantive part of this Agreement, and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement as a whole or any provision hereof.

17. **Word Usage.** Unless the context otherwise requires, whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, and the masculine gender shall include the neuter and feminine gender, and vice versa. Whenever used in this Agreement, words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires.

18. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall together constitute one document.

19. **Construction.** Each and every term and provision of this Agreement has been mutually agreed to and negotiated by the parties hereto, and shall be construed simply according to its fair meaning and not strictly for or against any party.

20. **Severability.** Each and every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

21. **Time.** Time is of the essence with respect to all aspects of this Agreement.

(Signatures on the following pages)

IN WITNESS WHEREOF, the parties hereunto have executed, sealed, and delivered this Agreement or caused this Agreement to be executed, sealed, and delivered on the day and year first hereinabove set forth.

Optionor:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Optionee:

SINCLAIR TELEVISION GROUP, INC.

By: _____

Name: _____

Title: _____

Exhibit A
Purchase Agreement

KVMY Option APA

ASSET PURCHASE AGREEMENT

BETWEEN

**[_____]
as SELLER**

AND

[SINCLAIR ENTITY]

as BUYER

[dated _____, 20__]

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is entered into on _____, 20__ by and between [_____] a [_____] (“**Seller**”) and [Sinclair Entity], a [_____] (“**Buyer**”).

RECITALS

WHEREAS, Seller owns and operates television broadcast station KVMY-TV (the “**Station**”), pursuant to the FCC Licenses (as defined in Section 1.1 below) and owns or leases certain assets used in connection with the operation of the Station;

WHEREAS, Seller wishes to sell and Buyer wishes to purchase the assets as defined in Section 2.1 of this Agreement, or in the alternative the issued and outstanding equity of Seller; and

WHEREAS, Seller and Buyer have agreed to enter into this Agreement as set forth herein.

AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties to this Agreement, intending to be bound legally, agree as follows:

SECTION 1: CERTAIN DEFINITIONS

1.1. **Terms Defined in this Section.** The following terms, as used in this Agreement, have the meanings set forth in this Section:

“**Action**” means any claim, action, suit, inquiry, proceeding, audit or investigation by or before any governmental authority, or any other arbitration, mediation or similar proceeding.

“**Additional Amount**” means three and one half times the average annual Station Cash Flow of the Station of the previous three years prior to the Closing Date, provided that any year that Seller did not own or operate the station shall not be included in such calculation.

“**Affiliate**” means, with respect to any Person, (a) any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such Person within the meaning of clause (a) of this definition. For purposes of clause (a) of this definition, (i) a Person shall be deemed to control another Person if such Person (A) has sufficient power to enable such Person to elect a majority of the board of directors of such Person, or (B) owns a majority of the beneficial interests in income and capital of such Person;

and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner.

“**Assets**” means the assets to be transferred or otherwise conveyed by Seller to Buyer under this Agreement, as specified in Section 2.1 of this Agreement.

“**Assumed Contracts**” means (a) all Contracts set forth on Schedule 5.7, (b) Contracts entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume, and (c) other Contracts entered into by Seller between the date of this Agreement and the Closing Date in compliance with Section 7 of this Agreement or the TBA.

“**Business Day**” means any day other than a Saturday, a Sunday, or other day on which banks in New York, New York generally are not open for business.

“**Buyer’s Credit Agreement**” means the credit agreement or agreements, by and among Sinclair Television Group, Inc. and/or its Affiliate and lenders and or borrowers, as amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time.

“**Buyer’s Lenders**” means those financial institutions providing financing to Buyer and its parent and/or its subsidiaries pursuant to Buyer’s Credit Agreement.

“**Closing**” means the consummation of (a) the exchange and acquisition of the Assets, or (b) the purchase of the Shares, pursuant to this Agreement on the Closing Date in accordance with the provisions of Section 10.1 of this Agreement.

“**Closing Date**” means the date on which the Closing occurs, as determined pursuant to Section 10.1 of this Agreement.

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

“**Communications Act**” means the Communications Act of 1934, as amended.

“**Consents**” means the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Assets or the Shares, as applicable, to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

“**Contaminant**” shall mean and include any pollutant, contaminant, hazardous material (as defined in any of the Environmental Laws), toxic substances (as defined in any of the Environmental Laws), asbestos or asbestos containing material, urea formaldehyde, polychlorinated biphenyls, regulated substances and wastes, radioactive materials, and petroleum or petroleum by-products, including crude oil or any fraction thereof, except the term “Contaminant” shall not include small quantities of maintenance, cleaning and emergency generator fuel supplies customary for the operation of television stations and maintained in compliance with all Environmental Laws in the ordinary course of business.

“Contracts” means all contracts, consulting agreements, leases, non-governmental licenses and other agreements (including leases for personal or real property and employment agreements), written or oral (including any amendments and other modifications thereto) to which any Seller is a party or that are binding upon any Seller, that relate to or affect the Assets or the Station’s Business, and that either (a) are in effect on the date of this Agreement, or (b) are entered into by Seller between the date of this Agreement and the Closing Date.

“Effective Time” means 12:01 a.m., Eastern Time, on the Closing Date.

“Environmental Laws” shall mean and include, but not be limited to, any applicable federal, state or local law, statute, charter, ordinance, rule or regulation or any governmental agency interpretation, policy or guidance, including, without limitation, applicable safety/environmental/health laws, such as, but not limited to, the Resource Conservation and Recovery Act of 1976, Comprehensive Environmental Response Compensation and Liability Act, Federal Emergency Planning and Community Right-to-Know Law, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act, as any of the foregoing have been amended, and any permit, order, directive, court ruling or order or consent decree applicable to or affecting the Property or any other property (real or personal) used by or relating to the Station in question promulgated or issued pursuant to any Environmental Laws which pertains to, governs, or controls the generation, storage, remediation or removal of Contaminants or otherwise regulates the protection of health and the environment, including, but not limited to, any of the following activities, whether on site or off site if such could materially affect the site: (a) the emission, discharge, release, spilling or dumping of any Contaminant into the air, surface water, ground water, soil or substrata; or (b) the use, generation, processing, sale, recycling, treatment, handling, storage, disposal, transportation, labeling or any other management of any Contaminant.

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

“FCC” means the Federal Communications Commission.

“FCC Consent” means action by the FCC granting its consent to the assignment or transfer of the FCC Licenses by Seller to Buyer as contemplated by this Agreement.

“FCC Licenses” means those licenses, permits and authorizations issued by the FCC to Seller in connection with the Station’s Business.

“Final Order” shall mean the consent by the FCC to the application for FCC Consent filed by the parties hereto for FCC Consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action, no protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending, and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired.

“Intangibles” means all call letters, call signs, copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by Seller or under which Seller is licensed or franchised and that are used in the Station’s Business, together with any additions thereto between the date of this Agreement and the Closing Date.

“Leased Real Property” means all real property and all buildings and other improvements thereon and appurtenant thereto leased or held by Seller and used in the Station’s Business.

“Licenses” means all licenses, permits, construction permits and other authorizations issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to Seller currently in effect and used in connection with the conduct of the Station’s Business, together with any additions thereto between the date of this Agreement and the Closing Date.

“Loss” means, with respect to any Person, any and all costs, obligations, liabilities, demands, claims, settlement payments, awards, judgments, fines, penalties, damages, and reasonable out-of-pocket expenses, including court costs and reasonable attorneys’ fees, whether or not arising out of a third-party claim.

“Material Adverse Effect” means any event, change, circumstance, occurrence, effect or state of facts that (a) is or would reasonably be expected to be materially adverse to the business, assets, liabilities, condition (financial or otherwise), results of operations of the Station or the Assets or (b) materially impairs the ability of Seller to consummate or prevents any of the transactions contemplated by this Agreement or would reasonably be expected to do so.

“Operational Agreements” means those certain agreements, if any, relating to the use of property or assets for the operations of the Station by and between the affiliates of Buyer and Seller, if any, including _____.

“Operating Expenses” means all the annual expenses of Station, including corporate or other overhead expenses allocated to Station, expenses allocated to the Station relating to the Operational Agreements and expenses under the Operational Agreements.

“Permitted Encumbrances” means (a) encumbrances of a landlord, other statutory liens not yet due and payable, or landlord’s liens arising in the ordinary course of business, (b) encumbrances arising in connection with equipment or maintenance financing or leasing under the terms of the Contracts set forth on Schedule 5.7, which Contracts have been made available to Buyer, (c) encumbrances for Taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Seller’s books in accordance with generally accepted accounting principles, or (d) encumbrances that do not materially detract from the value of any of the Assets or materially interfere with the use thereof as currently used.

“Person” means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership, or other entity or organization.

“Real Property” means all real property and all buildings and other improvements thereon and appurtenant thereto leased or held by Seller and used in the Station’s business.

“Real Property Interests” means all interests in Leased Real Property, including fee estates, leaseholds and subleaseholds, purchase options, easements, licenses, rights to access, and rights of way, and all buildings and other improvements thereon and appurtenant thereto, owned or held by Seller that are used in the Station’s Business, together with any additions, substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date.

“Revenue” means Buyer’s local advertising revenue of the station, not including revenue from MVPDs or under or related to the Operational Agreements.

“Seller’s Knowledge” means the actual knowledge, after due inquiry, of officers of Seller.

“Shares” means all of the stock, (or all of membership interest or partnership interest, if applicable) of any class of Seller issued and outstanding on the Closing Date including any options, warrants or other rights to acquire shares of Seller prior to or after the Closing Date.

“Station’s Business” means the business as currently, and as over the past year, conducted by Seller, Seller’s Affiliates, and/or Seller’s employees and contractors, including contractors pursuant to the Operational Agreements or similar agreement, with respect to the Station, taken as a whole, including the Assets and operations thereof.

“Station Cash Flow” means the Revenue minus Operating Expenses.

“Suitable Third Party” means a third party transferee who is, in the good faith opinion of Buyer, (a) financially capable of purchasing the Assets or the Shares, (b) likely to receive FCC Consent to purchase the Assets or the Shares, and (c) otherwise able to acquire the Assets or the Shares pursuant to the terms of this Agreement.

“Tangible Personal Property” means all machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property owned or held by Seller that is used or useful in the conduct of the Station’s Business, together with any additions, substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date.

“Tax” means any federal, state, local, or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding, or other tax or similar governmental assessment, together with any

interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any tax return, declaration of estimated tax, tax report or other tax statement, or any other similar filing required to be submitted to any governmental authority with respect to any Tax.

“**Termination Date**” means 12:00 midnight Eastern Time on the second anniversary of the date of this Agreement.

1.2. **Terms Defined Elsewhere in this Agreement.** For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated:

<u>Term</u>	<u>Section</u>
Act	Section 8.14
Adjusted Purchase Price	Section 2.3(c)
Agreement	Preamble
Benefit Arrangement	Section 5.14 (a)(v)
Benefit Plans	Section 5.14(a)(ii)
Buyer	Preamble
Claimant	Section 12.4(a)
Closing Notice	Section 10.1(a)(i)
Employees	Section 5.14(a)
Estimated Adjusted Purchase Price	Section 2.3(c)(i)
Fair Market Value of the Assets	Section 8.6
Final Adjusted Purchase Price	Section 2.5(a)
Financial Statements	Section 5.10
Indemnifying Party	Section 12.4(a)
Multiemployer Plan	Section 5.14(a)(ii)
Notice of Renewal	Section 11.8
Notice of Termination	Section 11.8
Option Exercise Notice	Section 3.2(a)
Pension Plan	Section 5.14(a)(iii)
Purchase Price	Section 2.3(a)
Renewal Term	Section 11.8

Seller	Preamble
State Acts	Section 8.14
Station	Recitals
Stock Option	Section 3.1
Transferred Employees	Section 8.8(a)
Welfare Plan	Section 5.14(a)(i)

Rules of Construction.

A reference in the singular shall be deemed to include the plural and the plural shall be deemed to include the singular. A reference to one gender shall include any other gender. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references to “party” and “parties” shall be deemed references to parties to this Agreement unless the context shall otherwise require. The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Except as specifically otherwise provided in this Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Agreement or the Schedules or Exhibits hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the Schedules and Exhibits to this Agreement. The terms “or” is used in its inclusive sense (“and/or”). All references to “Dollars” and “\$” refer to the currency of the United States.

Sections.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

SECTION 2: EXCHANGE AND TRANSFER OF ASSETS; ASSET VALUE

2.1. **Agreement to Exchange and Transfer.** Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to transfer, convey, assign and deliver to Buyer on the Closing Date, and Buyer agrees to acquire, all of Seller’s right, title and interest in the tangible and intangible assets used in connection with the conduct of the Station’s Business, together with any additions thereto between the date of this Agreement and the Closing Date (collectively, the “Assets”), but excluding the assets described in Section 2.2 of this Agreement, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, charges, or encumbrances of any nature whatsoever (except for Permitted Encumbrances), including the following:

- (a) the Tangible Personal Property;

- (b) the Real Property Interests;
- (c) the Licenses;
- (d) the Assumed Contracts;
- (e) the Intangibles, including the goodwill of the Station, if any;
- (f) all of Seller's proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with the FCC, in each case, to the extent relating to the Station's Business;
- (g) all choses in action of Seller relating to the Station to the extent they relate to the period after the Effective Time; and
- (h) all books, logs and records relating to the Station's Business, including executed copies of the Assumed Contracts, and all logs and records required by the FCC to be kept by the Station.

2.2. Excluded Assets. The Assets shall exclude the following:

- (a) Seller's cash, cash equivalents and deposits, all interest payable in connection with any such items and rights in and to bank accounts, marketable and other securities and similar investments (but not the securities of any subsidiary of any Seller) of Seller;
- (b) any insurance policies, promissory notes not included in the Assumed Contracts, amounts due to Seller from employees, bonds, letters of credit, certificates of deposit, or other similar items, and any cash surrender value in regard thereto; provided, that in the event Seller is obligated to assign to Buyer the proceeds of any such insurance policy at the time a Closing occurs under Section 10.1 of this Agreement, such proceeds shall be included in the Assets;
- (c) any pension, profit-sharing, or employee benefit plans, including all of Seller's interest in any Welfare Plan, Pension Plan or Benefit Arrangement (each as defined in Section 5.14(a) of this Agreement;
- (d) all Tangible Personal Property disposed of or consumed in the ordinary course of business as permitted by this Agreement;
- (e) all Tax Returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, all of Seller's organizational documents, corporate books and records (including minute books and stock ledgers) and originals of account books of original entry, all records of Seller relating to the sale of the Assets and all records and documents related to any assets excluded pursuant to this Section 2.2;

(f) any interest in and to any refunds of federal, state, or local franchise, income, or other taxes for periods (or portions thereof) ending on or prior to the Closing Date;

(g) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties relating to the Assets of the Station, whether in tort, contract or otherwise, other than rights and claims against third parties relating to the Assets which have as their basis loss, damage or impairment of or to any of the Assets and which loss, damage or impairment has not been restored or repaired prior to the Closing in which any of the Assets which has been so damaged or impaired is being acquired by Buyer (or in the case of a lost asset, that would have been acquired but for such loss);

(h) any Contracts which are not Assumed Contracts;

(i) all of Seller's deposits and prepaid expenses; provided, that any deposits and prepaid expenses shall be included in the Assets to the extent that Seller receive a credit therefor in the proration of the Purchase Price pursuant to Section 2.3(b) of this Agreement; and

(j) all rights of Seller under or pursuant to this Agreement (or any other agreements contemplated hereby).

2.3. **Purchase Price.**

(a) The aggregate purchase price for the Assets shall be equal to the sum of amount paid by Seller for the assets plus the Additional Amount (the "**Purchase Price**"). The Purchase Price shall be adjusted as provided for in Section 2.3(c) of this Agreement.

(b) **Prorations.** The Purchase Price shall be increased or decreased as required to effectuate the proration of revenues and expenses as set forth below. All revenues and all expenses arising from the operation of the Station, including tower rental, business and license fees, utility charges, real property and personal property, and other similar Taxes and assessments levied against or with respect to the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges and, subject to the provisions of Section 8.8 of this Agreement, employee compensation, including wages (including bonuses which constitute wages), salaries, and related Taxes shall be prorated between Buyer and Seller in accordance with the principle that, subject to the terms of the Operational Agreements, Seller shall receive all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the operations of the Station for the period prior to the Effective Time, and Buyer shall receive all revenues and shall be responsible for all expenses, costs, and obligations allocable to the operations of the Station for the period after the Effective Time subject to the following:

(i) In the case of an Asset sale, there shall be no adjustment for, and Seller shall remain solely liable with respect to, any Contracts not included in the Assumed Contracts and any other obligation or liability not being assumed by Buyer in accordance with Section 2.2 of this Agreement. An adjustment and proration shall be made in favor of Buyer to the extent that Buyer assume any liability under any Assumed Contract to refund (or to credit against payments otherwise due) any security deposit or similar prepayment paid to Seller by any lessee

or other third party. An adjustment and proration shall be made in favor of Seller to the extent Buyer receives the right to receive a refund (or to a credit against payments otherwise due) under any Assumed Contract to any security deposit or similar pre-payment paid by or on behalf of Seller.

(ii) An adjustment and proration shall be made in favor of Seller for the amount, if any, of prepaid expense, the benefit of which accrues to Buyer hereunder, and other current assets acquired by Buyer hereunder which are paid by Seller to the extent such prepaid expenses and other current assets relate to the period after the Effective Time.

(c) **Manner of Determining Adjustments.** The Purchase Price, taking into account the prorations pursuant to Section 2.3(b) of this Agreement (the “**Adjusted Purchase Price**”), will be determined in accordance with the following procedures:

(i) Seller shall prepare and deliver to Buyer not later than five (5) Business Days before the Closing Date a preliminary settlement statement which shall set forth Seller’s good faith estimate of the adjustments to the Purchase Price under Section 2.3(b) of this Agreement and setting forth Seller’s estimate of the Adjusted Purchase Price (the “**Estimated Adjusted Purchase Price**”). The preliminary settlement statement shall (A) contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price, to the extent any adjustments can be determined or estimated as of the date of the preliminary settlement statement, and such other information as may be reasonably requested by Buyer, and (B) be certified by Seller to be true and complete to Seller’s Knowledge as of the date thereof.

(ii) Not later than two (2) Business Days prior to the Closing Date, Buyer shall either accept or reject the Estimated Adjusted Purchase Price. If Buyer accepts the Estimated Adjusted Purchase Price, the Estimated Adjusted Purchase Price shall be paid by Buyer to Seller at the Closing in accordance with Section 2.4 of this Agreement. If Buyer rejects the Estimated Adjusted Purchase Price, Buyer will submit simultaneously to Seller their good faith estimate of the Estimated Adjusted Purchase Price, including a statement that will contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price and such other information as may be reasonably requested by Seller. The parties shall then use their best efforts to agree upon the Estimated Adjusted Purchase Price prior to the Closing Date. If the parties cannot agree on the Estimated Adjusted Purchase Price prior to the Closing, the Estimated Adjusted Purchase Price shall be the average of Buyer’s and Seller’s estimates of the Estimated Adjusted Purchase Price.

2.4. Payment of Purchase Price. At the Closing, Buyer shall deliver to Seller, by wire transfer of immediately available funds to such bank accounts as Seller may designate at least two (2) Business Days prior to the Closing Date, a payment equal to the Estimated Adjusted Purchase Price.

2.5. Post-Closing Adjustments.

(a) Not later than forty five (45) calendar days after the Closing Date, Buyer will deliver to Seller a statement setting forth Buyer’s determination of any additional adjustments to

the Purchase Price under Section 2.3(b) of this Agreement and setting forth Buyer's calculation of the final adjusted purchase price (the "**Final Adjusted Purchase Price**"). Buyer's statement shall (i) contain all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Seller, and (ii) be certified by Buyer to be true and complete to Buyer's knowledge as of the date thereof. If Seller disputes the amount of the Final Adjusted Purchase Price as determined by Buyer, Seller shall deliver to Buyer within thirty (30) calendar days after receipt of Buyer's statement a statement setting forth their determination of the amount of the Final Adjusted Purchase Price which shall include all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Buyer. If Seller notifies Buyer of their acceptance of Buyer's statement, or if Seller fails to deliver their statement within the thirty (30) calendar day period specified in the preceding sentence, Buyer's determination of the Final Adjusted Purchase Price shall be conclusive and binding on the parties as of the last day of the thirty (30) calendar day period.

(b) Buyer and Seller shall use good faith efforts to resolve any dispute involving the determination of the Final Adjusted Purchase Price. If the parties are unable to resolve the dispute within forty five (45) calendar days following the delivery of Buyer's statements to be provided pursuant to Section 2.5(a) of this Agreement after the Closing, Buyer and Seller shall jointly designate an independent certified public accounting firm of national standing which has not regularly provided services to either Buyer or Seller in the last three (3) years, who shall be knowledgeable and experienced in the operation of television broadcasting stations, to resolve the dispute. If the parties are unable to agree on the designation of an independent certified public accounting firm, the selection of the accounting firm to resolve the dispute shall be submitted to arbitration to be held in Baltimore, Maryland, in accordance with the commercial arbitration rules of the American Arbitration Association. The accounting firm's resolution of the dispute or the arbitrators decision, as applicable, shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of this accounting firm, and, if necessary, for arbitration to select such accountant, shall be divided equally between the parties.

(c) If the Final Adjusted Purchase Price is (i) greater than the Estimated Adjusted Purchase Price, then Buyer shall pay to Seller within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Seller may designate, or (ii) less than the Estimated Adjusted Purchase Price, then Seller shall pay to Buyer within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Buyer may designate.

2.6. Assumption of Liabilities and Obligations. As of the Closing Date, Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Seller under the Licenses, the Assumed Contracts, or as otherwise specifically provided for herein to the extent that either (a) the obligations and liabilities relate to the time after the Effective Time, or (b) the Purchase Price was reduced pursuant to Section 2.3(c) of this Agreement as a result of

the proration of such obligations and liabilities under Section 2.3(b). Buyer shall not assume any other obligations or liabilities of Seller, including (w) any obligations or liabilities under any Contract not included in the Assumed Contracts, (x) any obligations or liabilities under the Assumed Contracts relating to the period prior to the Effective Time, except insofar as an adjustment therefor is made in favor of Buyer under Section 2.3(c) of this Agreement, (y) any claims or pending litigation or proceedings relating to the operation of the Station prior to the Closing or (z) any obligations or liabilities of Seller under any employee pension, retirement, or other benefit plans.

SECTION 3: STOCK OPTION

3.1. Grant of Stock Option.

(a) Subject to the terms and conditions of this Section 3, Buyer shall have the option (the “**Stock Option**”), in lieu of purchasing the Assets as contemplated hereby, to purchase all, but not less than all, of the Shares such that on the Closing Date, Buyer will own all of the outstanding equity of Seller.

(b) Buyer may exercise the Stock Option in accordance with Section 3.2 of this Agreement at any time after the date of this Agreement.

3.2. Exercise of Stock Option.

(a) Buyer shall exercise the Stock Option by giving written notice to Seller and individually to stockholder(s) or his/their successors, assigns or heirs (collectively, “**Stockholder**”) (the “**Option Exercise Notice**”). The Option Exercise Notice shall specify a Closing Date pursuant to the terms of Section 10.1 of this Agreement. For the avoidance of doubt, a Closing pursuant to the Stock Option may occur after the Termination Date, so long as the Option Exercise Notice has been delivered prior to such time.

(b) Upon exercise of the Stock Option, Buyer may acquire the Shares either directly, or indirectly, including through one of its Affiliates, or may assign its rights to a third party without prior consent of Seller. Buyer and Seller shall either revise this Agreement to reflect the transfer of the Shares or enter into other documents to provide for the transfer of the Shares pursuant to terms and conditions materially similar to the terms and conditions of this Agreement.

(c) On the Closing Date of the Stock Option, Buyer shall pay the closing payment to Stockholder as required by Section 10.3(a) of this Agreement, which payment shall be calculated and adjusted in the same manner as provided for in Section 2 of this Agreement.

SECTION 4: [RESERVED]

SECTION 5: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, in which case, such representations and warranties shall be true and complete as of such date or time) as follows:

5.1. **Organization and Authority of Seller.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Seller has the requisite corporate power and authority to own, lease and operate its properties, to carry on its business where such properties are now owned, leased, or operated and such business is now conducted, and to execute, deliver and perform this Agreement and the documents contemplated hereby according to its respective terms.

5.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary corporate or other required action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

5.3. **Absence of Conflicting Agreements; Consents.** Subject to obtaining the FCC Consent, the execution, delivery and performance by Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party; (b) will not conflict with any provision of the Articles of Incorporation, Bylaws, Articles of Organization (as applicable), or other organizational documents of Seller; (c) will not conflict with, result in a material breach of, or constitute a material default under any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound legally; and (e) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Assets or the Shares. Except for the FCC Consent provided for in Section 8.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Seller to transfer and convey the Assets or the Shares to Buyer.

5.4. **Governmental Licenses.** Schedule 5.4 includes a true and complete list of the FCC Licenses. Seller has made available to Buyer true and complete copies of all material Licenses (including any amendments and other modifications thereto). The Licenses have been validly issued, and Seller is the authorized legal holder of the Licenses and those FCC Licenses listed on Schedule 5.4. The Licenses and the FCC Licenses listed on Schedule 5.4 comprise all of the material licenses, permits, and other authorizations required from any governmental or

regulatory authority for the lawful conduct in all material respects of the Station's Business in the manner and to the full extent it is now conducted, and, except as otherwise disclosed on Schedule 5.4, none of the Licenses are subject to any unusual or special restriction or condition that could reasonably be expected to limit materially the full operation of the Station as now operated. The FCC Licenses are in full force and effect, are valid for the balance of the current license term applicable generally to television stations licensed to the same community as the Station, are unimpaired by any acts or omissions of Seller or any of its Affiliates, or the employees, agents, officers, directors, or shareholders of Seller or any of their Affiliates, and are free and clear of any restrictions which might limit the full operation of the Station in the manner and to the full extent as it is now operated (other than restrictions under the terms of the licenses themselves or applicable to the television broadcast industry generally). Except as listed on Schedule 5.4 hereto, there are no applications, proceedings or complaints pending or, to Seller's Knowledge, threatened which may have an adverse effect on the Station's Business (other than rulemaking proceedings that apply to the television broadcasting industry generally). Except as disclosed on Schedule 5.4 hereto, Seller is not aware of any reason why any of the FCC Licenses might not be renewed in the ordinary course for a full term without material qualifications or of any reason why any of the FCC Licenses might be revoked. Except as set forth on Schedule 5.4, to Seller's Knowledge, there are no facts relating to Seller which, under the Communications Act, as amended, or the existing rules of the FCC, would (a) disqualify Seller from assigning any of its FCC Licenses to Buyer, (b) cause the filing of any objection to the assignment of the FCC Licenses to Buyer, (c) lead to a delay in the processing by the FCC of the applications of the FCC Licenses to Buyer, or (d) disqualify Seller from consummating the transactions contemplated herein within the times contemplated herein. An appropriate public inspection file for the Station is maintained at the Station's studio in accordance with FCC rules.

5.5. **Real Property.** Access to the Station's transmission facilities are restricted in accordance with the policies of the FCC. Schedule 5.5 contains a complete description of all Real Property Interests (including street address, owner, and Seller's use thereof). The Real Property Interests listed on Schedule 5.5 comprise all interests in real property necessary to conduct the Station's Business. To Seller's Knowledge, each leasehold or subleasehold interest included on Schedule 5.5 is legal, valid, binding, enforceable and in full force and effect. Neither Seller nor, to Seller's Knowledge, any other party thereto is in material default, violation or breach under any lease or sublease and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a material default, violation or breach thereunder. Seller has not received any notice of a default, offset or counterclaim under any lease or sublease with respect to any of the Real Property Interests. As of the date hereof and as of the Closing Date, Seller enjoys peaceful and undisturbed possession of the Leased Real Property; and so long as Seller fulfills their obligations under the lease therefor, Seller has enforceable rights to nondisturbance and quiet enjoyment against its lessor or sublessor; and, to Seller's Knowledge, except as set forth in Schedule 5.5, no third party holds any interest in the leased premises with the right to foreclose upon Seller's leasehold or subleasehold interest. Seller has legal and practical access to all of the Leased Real Property. Except as otherwise disclosed in Schedule 5.5, to Seller's Knowledge, all towers, guy anchors, ground radials, and buildings and other improvements included in the Assets are located entirely on the Leased Real Property listed in Schedule 5.5. All Real Property Interests (including the improvements thereon) (a) are in good condition and repair consistent with its current use, (b) are available for

immediate use in the conduct of the Station's Business, and (c) comply in all material respects with all applicable material building or zoning codes and the regulations of any governmental authority having jurisdiction, except to the extent that the current use by Seller, while permitted, constitutes or would constitute a "nonconforming use" under current zoning or land use regulations. No eminent domain or condemnation proceedings are pending or, to Seller's Knowledge, threatened with respect to any Real Property Interests.

5.6. **Tangible Personal Property.** Schedule 5.6 lists the Tangible Personal Property comprising all material items of tangible personal property necessary to conduct the Station's Business. Except as described in Schedule 5.6, Seller owns and has good title to each item of Tangible Personal Property and none of the Tangible Personal Property owned by Seller is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, each material item of Tangible Personal Property is in good operating condition and repair and is available for immediate use in the business and operations of the Station. Except as set forth in Schedule 5.6, all material items of transmitting and studio equipment included in the Tangible Personal Property (a) have been maintained in a manner consistent with generally accepted standards of good engineering practice, and (b) will permit the Station and any auxiliaries thereto to operate in accordance with the terms of the FCC Licenses and the rules and regulations of the FCC and in all material respects with all other applicable federal, state and local statutes, ordinances, rules and regulations.

5.7. **Contracts.** Schedule 5.7 is a true and complete list of all Contracts relating to the Station except Contract relating to the Station that Buyer and/or its Affiliates are a party to. Seller has delivered or made available to Buyer true and complete copies of all written Assumed Contracts, and true and complete descriptions of all oral Assumed Contracts (including any amendments and other modifications to such Contracts). Other than the Contracts listed on Schedule 5.5 and Schedule 5.7, Seller requires no material contract, lease, or other agreement to enable it to carry on its business in all material respects as now conducted. All of the Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms except as the enforceability of such Contracts may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. Neither Seller nor, to Seller's Knowledge, any other party thereto is in default, violation or breach in any material respect under any Contract and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a default, violation, or breach in any material respect thereunder. Except as disclosed on Schedule 5.7, other than in the ordinary course of business, to Seller's Knowledge, no party to any Contract has any intention (a) to terminate such Contract or amend the terms thereof, (b) to refuse to renew the Contract upon expiration of its term, or (c) to renew the Contract upon expiration only on terms and conditions that are more onerous than those now existing. Except for the need to obtain the Consents listed on Schedule 5.5 and Schedule 5.7, the exchange and transfer of the Assets or the Shares in accordance with this Agreement will not affect the validity, enforceability, or continuation of any of the Contracts.

5.8. **Intangibles.** Schedule 5.8 is a true and complete list of all Intangibles (exclusive of Licenses listed in Schedule 5.4) that are required to conduct the Station's Business , all of

which are valid and in good standing and uncontested. Seller has provided or made available to Buyer copies of all documents establishing or evidencing the Intangibles listed on Schedule 5.8. Seller owns or has a valid license to use all of the Intangibles listed on Schedule 5.8. Other than with respect to matters generally affecting the television broadcasting industry and not particular to Seller and except as set forth on Schedule 5.8, Seller has not received any notice or demand alleging that Seller is infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person, and there is no claim or action pending or, to Seller's Knowledge, threatened with respect thereto. To Seller's Knowledge, except as set forth on Schedule 5.8, no other Person is infringing upon Seller's rights or ownership interest in the Intangibles.

5.9. Title to Properties; Sufficiency of Assets.

(a) Seller has, as applicable, good and marketable title to the Assets and, except as disclosed in Schedule 5.9(a), the Assets are not subject to mortgages, pledges, liens, security interests, encumbrances, or other charges or rights of others of any kind or nature except for Permitted Encumbrances.

(b) At the Closing, Buyer will acquire all of the assets, properties and rights necessary and sufficient for the conduct and operation of the Station as currently conducted and operated or as proposed by Seller to be conducted and operated.

5.10. [RESERVED].

5.11. **Taxes.** Except as set forth in Schedule 5.11, Seller has filed or caused to be filed all Tax Returns that are required to be filed with respect to its ownership and operation of the Station, and have paid or caused to be paid all Taxes shown on those returns or on any Tax assessment received by it to the extent that such Taxes have become due, or have set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. There are no legal, administrative, or other Tax proceedings presently pending, and there are no grounds existing pursuant to which Seller is or could be made liable for any Taxes, the liability for which could extend to Buyer as assignees of the Station's Business.

5.12. **Insurance.** Schedule 5.12 contains a true and complete list of all insurance policies of or covering the Assets or relating to the operation of the Station. All policies of insurance listed in Schedule 5.12 are in full force and effect as of the date hereof. No insurance policy of Seller or the Station has been canceled by the insurer and, except as set forth on Schedule 5.12, no application of Seller for insurance has been rejected by any insurer.

5.13. **Reports.** All material returns, reports and statements that the Station is currently required to file with the FCC or Federal Aviation Administration have been filed, and all reporting requirements of the FCC and Federal Aviation Administration have been complied with in all material respects. All of such returns, reports and statements, as filed, satisfy all applicable legal requirements in all material respects.

5.14. **Personnel and Employee Benefits.**

(a) **Employees and Compensation.** Schedule 5.14 contains a true and complete list of all employees of Seller employed at the Station as of _____, 20___. Schedule 5.14 also contains a true and complete list of all employee benefit plans or arrangements covering the employees employed at the Station (the “**Employees**”), including, with respect to the Employees any:

(i) “Employee welfare benefit plan,” as defined in Section 3(1) of ERISA, that is maintained or administered by Seller or to which Seller contributes or are required to contribute (a “**Welfare Plan**”);

(ii) “Multiemployer pension plan,” as defined in Section 3(37) of ERISA, that is maintained or administered by Seller or to which Seller contributes or are required to contribute (a “**Multiemployer Plan**” and, together with the Welfare Plans, the “**Benefit Plans**”);

(iii) “Employee pension benefit plan,” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), to which Seller contributes or are required to contribute (a “**Pension Plan**”);

(iv) Employee plan that is maintained in connection with any trust described in Section 501(c)(9) of the Internal Revenue Code of 1986, as amended; and

(v) Employment, severance, or other similar contract, arrangement, or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers’ compensation, disability benefits, supplemental unemployment benefits, vacation benefits, or retirement benefits or arrangement for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, stock purchases, or other forms of incentive compensation or post-retirement insurance, compensation, or benefits that (A) is not a Welfare Plan, Pension Plan, or Multiemployer Plan, and (B) is entered into, maintained, contributed to, or required to be contributed to by Seller or under which Seller has any liability relating to Employees, (collectively, “**Benefit Arrangements**”).

(b) **Pension Plans.** Seller does not sponsor, maintain, or contribute to any Pension Plan.

(c) **Welfare Plans.** Seller does not maintain any Welfare Plan.

(d) **Benefit Arrangements.** Seller does not maintain any Benefit Arrangement.

(e) **Multiemployer Plans.** Seller has not at any time been a participant in any Multiemployer Plan.

(f) **Labor Relations.** Except as set forth in Schedule 5.14(g), Seller is not a party to or subject to any collective bargaining agreement or written or oral employment agreement with any Employee. With respect to the Employees, Seller has complied in all material respects with all laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and has not received any notice alleging that Seller has failed to comply materially with any such laws, rules, or regulations. Except as set forth on Schedule 5.14(g), no proceedings are pending or, to Seller's Knowledge, threatened between Seller and any Employee (individually or collectively) that relate to the Station. Except as set forth on Schedule 5.14(g), no labor union or other collective bargaining unit represents or claims to represent any of the Employees. Except as set forth in Schedule 5.14(g), to Seller's Knowledge, there is no union campaign being conducted to solicit cards from any Employees to authorize a union to represent any of the employees of Seller or to request a National Labor Relations Board certification election with respect to any Employees.

5.15. **Claims and Legal Actions.** Except as disclosed on Schedule 5.15 and except for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Seller, there is no claim, legal action, counterclaim, suit, arbitration, or other legal, administrative, or tax proceeding, nor any order, decree, or judgment, in progress or pending or, to Seller's Knowledge, threatened against or relating to the Assets or the Station's Business, nor does Seller know of any basis for the same.

5.16. **Environmental Compliance.**

(a) Seller does not own any real property. Except as disclosed on Schedule 5.16: (i) none of the Tangible Personal Property and, to Seller's Knowledge, none of the Leased Real Property contains (A) any asbestos, polychlorinated biphenyls or any PCB contaminated oil, (B) any Contaminants, or (C) any underground storage tanks; (ii) no underground storage tank disclosed on Schedule 5.16 has leaked and has not been remediated or leaks and such tank is in substantial compliance with all applicable Environmental Laws; and (iii) to Seller's Knowledge, all of the Leased Real Property is in substantial compliance with all applicable Environmental Laws.

(b) To Seller's Knowledge, Seller has obtained all material permits, licenses and other authorizations that are required under all Environmental Laws.

5.17. **Compliance with Laws.** Except as set forth in Schedule 5.17, Seller has complied in all material respects with the Licenses and all material federal, state and local laws, rules, regulations and ordinances applicable or relating to the ownership and operation of the Assets and Station, and Seller has not received any notice of any material violation of federal, state and local laws, regulations and ordinances applicable or relating to the ownership or operation of the Assets and the Station.

5.18. **Conduct of Business in Ordinary Course.** Since _____, Seller has conducted the Station's Business in the ordinary course and, except as disclosed in Schedule 5.18, have not:

(a) made any material increase in compensation payable or to become payable to any of their employees other than those in the normal and usual course of business or in connection with any change in an employee's responsibilities, or any bonus payment made or promised to any of their Employees, or any material change in personnel policies, employee benefits, or other compensation arrangements affecting their employees;

(b) made any sale, assignment, lease, or other transfer of assets other than in the normal and usual course of business with suitable replacements being obtained therefor;

(c) canceled any debts owed to or claims held by Seller, except in the normal and usual course of business;

(d) made any changes in Seller's accounting practices; or

(e) transferred or granted any right under, or entered into any settlement regarding the breach or infringement of, any license, patent, copyright, trademark, trade name, franchise, or similar right, or modified any existing right.

5.19. **[RESERVED]**.

5.20. **Broker.** Neither Seller nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

5.21. **Insolvency Proceedings.** Seller is not, nor any of the Assets, are the subject of any pending or threatened insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary. Seller has not made an assignment for the benefit of creditors or taken any action in contemplation of or which would constitute a valid basis for the institution of any such insolvency proceedings. Seller is not insolvent or become insolvent as a result of entering into or performing this Agreement.

5.22. **Ownership of the Shares.** Stockholder is the sole beneficial owner of the Shares. The Shares are duly and validly issued, fully paid and non-assessable, and at the Closing shall be free and clear of all liens, restrictions, claims, liabilities, pledges, conditions, security interests, encumbrances or preferential arrangements of any kind. Stockholder has the right, authority and power to sell, assign and transfer the Shares to Buyer or an Affiliate of Buyer.

5.23. **All Outstanding Shares.** The Shares represent one hundred percent (100%) of issued and outstanding capital stock (whether common, preferred, voting or non-voting) of Seller and neither Seller, Stockholder nor any other person or entity owns or has the right to acquire

any stock options, stock appreciation rights, warrants, securities (including securities convertible into any capital stock) relating thereto.

5.24. **Good and Marketable Title.** Upon the transfer of the Shares to Buyer or an Affiliate of Buyer, Stockholder shall transfer, and Buyer or an Affiliate of Buyer shall receive, good and marketable title to, and beneficial ownership in, the Shares, free and clear of all liens, restrictions, claims, liabilities, pledges, conditions, security interests, encumbrances or preferential arrangements of any kind.

SECTION 6: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as of the date hereof and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, in which case, such representations and warranties shall be true and complete as of such date and time) as follows:

6.1. **Organization, Standing and Authority.** Buyer is a [corporation] duly organized, validly existing, and in good standing under the laws of the [State of Maryland] and has the requisite corporate power and authority to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms. Buyer has the requisite corporate power and authority to execute, deliver and perform this Agreement and the documents contemplated hereby according to their respective terms and to own the Assets.

6.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

6.3. **Absence of Conflicting Agreements and Required Consents.** Subject to the receipt of the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both), including the exercise of the Stock Option: (a) do not require the consent of any third party other than the Buyer's Lenders; (b) will not conflict with the Articles of Incorporation or Bylaws of Buyer; (c) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which any Buyer is a party or by which any Buyer may be bound, other than the Buyer's Credit Agreement. Except for the FCC Consent provided for in Section 8.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Buyer to acquire the

Assets or the Shares from Seller or to assume certain liabilities and obligations of Seller in accordance with Section 2.6 of this Agreement.

6.4. **Brokers.** No Buyer nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

6.5. **Buyer Qualifications.** Except as disclosed on Schedule 6.5, Buyer and Buyer's Affiliates are (and pending Closing will remain) legally, financially, and otherwise qualified to be the licensee of, acquire, own, and operate the Station under the Communications Act, and the rules, regulations, and policies of the FCC. Except as disclosed on Schedule 6.5, Buyer knows of no fact that would, under existing law and the existing rules, regulations, policies, and procedures of the FCC (a) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station, or (b) cause the FCC to fail to approve in a timely fashion the application for the FCC Consent. Except as disclosed on Schedule 6.5, no waiver of any FCC rule or policy is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to Buyer.

SECTION 7: OPERATION OF THE STATION PRIOR TO CLOSING

Seller, to the extent applicable, covenants and agrees that between the date hereof and the Closing Date, it will operate the Station in the ordinary course in accordance with industry practice (except when such practice would conflict with the following covenants or with other obligations of Seller under this Agreement or the Operational Agreements); and except as contemplated by this Agreement or with the prior written consent of Buyer (such consent not to be unreasonably withheld), Seller will act in accordance with the following insofar as such actions relate to the Station:

7.1. **Contracts.** Seller will not renew, extend, amend or terminate, or waive any material right under any Contract, or enter into any contract or commitment or incur any obligation that will be assumed by or be otherwise binding on Buyer after Closing, except (a) the renewal or extension of any Contract that exists on the date hereof on its existing terms and in the ordinary course of business, and (b) other Contracts (other than network affiliation agreements, or time brokerage or local marketing arrangements) entered into in the ordinary course of business consistent with Seller's past practices that do not involve consideration, in the aggregate, in excess of Five Thousand Dollars (\$5,000) individually or Fifteen Thousand Dollars (\$15,000.00), except for Contracts that are for repairs and/or maintenance identified by Seller as required to maintain the Station's broadcast signal at current levels or repairs, provided that Seller shall notify Buyer of the scope and cost of such repairs prior to commencing such repairs. In the event Seller exceeds the Five Thousand Dollars (\$5,000) individually or Fifteen Thousand Dollar (\$15,000.00) limit set forth above, Buyer shall have no obligation to assume such Contract(s) on the Closing Date. Prior to the Closing Date, Seller shall deliver to Buyer a list of all Contracts entered into between the date of this Agreement and the Closing Date and shall make available to Buyer copies of such Contracts.

7.2. **Compensation.** From the date of this Agreement through the Closing Date, Seller shall not materially increase the compensation, bonuses, or other benefits payable or to be payable to any person employed in connection with the conduct of the Station's Business, except in accordance with past practices, as required by an employment agreement or consulting agreement or in connection and commensurate with the change in responsibility of any employee.

7.3. **Encumbrances.** Seller will not create, assume, or permit to exist any mortgage, pledge, lien, or other charge or encumbrance affecting any of the Assets or the Shares, except for (a) liens disclosed in Schedule 7.3, (b) liens that will be removed prior to the Closing Date, and (c) Permitted Encumbrances.

7.4. **Dispositions.** Seller will not sell, assign, lease, dividend, or otherwise transfer or dispose of any of the Assets except (a) Assets that are no longer used in the operations of the Station, and (b) Assets that are replaced with Assets of equivalent kind and value that are acquired after the date of this Agreement.

7.5. **Access to Information.** Upon one (1) day prior written notice by Buyer to Seller, Seller will give to Buyer and their investment advisors, lenders, counsel, accountants, engineers and other authorized representatives reasonable access to the Assets and all books, records and documents of Seller which are material to the Station's Business, and will furnish or cause to be furnished to Buyer and their authorized representatives all information relating to Seller and the Assets that they reasonably request (including any financial reports and operations reports produced with respect to the Assets).

7.6. **Insurance.** Seller or their Affiliates shall maintain in full force and effect policies of insurance of the same type, character and coverage as the policies currently carried with respect to the Station's Business and the Assets.

7.7. **Licenses.** Seller shall not cause or permit, by any act or failure to act, any of the Licenses listed on Schedule 5.4 to expire or to be revoked, suspended or modified, or take any action that could reasonably be expected to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or material adverse modification of any of the Licenses. Seller shall prosecute with due diligence any applications to any governmental authority necessary for the operation of the Station.

7.8. **Obligations.** Seller shall pay all of their obligations insofar as they relate to the Assets as they become due, consistent with past practices.

7.9. **Maintenance of Assets.** Seller shall maintain the Assets in good condition (ordinary wear, tear and casualty excepted) consistent with their overall condition on the date of this Agreement, and use, operate and maintain the Assets in a reasonable manner. Seller shall maintain inventories of spare parts and expendable supplies at levels consistent with past practices. If any insured or indemnified loss, damage, impairment, confiscation, or condemnation of or to any of the Assets occurs, Seller shall repair, replace, or restore the Assets to their prior condition as represented in this Agreement as soon thereafter as possible, and Seller shall use the

proceeds of any claim under any property damage insurance policy or other recovery solely to repair, replace, or restore any of the Assets that are lost, damaged, impaired, or destroyed.

7.10. **Books and Records.** Seller shall maintain its books and records in accordance with past practices, as well as keep an appropriate public inspection file for the Station maintained at the Station's studio in accordance with the policies of the FCC.

7.11. **Notification.** Seller shall promptly notify Buyer in writing of any material developments with respect to the Station's Business or the Assets and of any material change in any of the information contained in the representations and warranties contained in Section 5 of this Agreement.

7.12. **Compliance with Laws.** Seller shall comply in all material respects with all material laws, rules and regulations.

7.13. **Compliance with Operational Agreements** . Seller, to the extent applicable, shall comply with all material provisions of the Operational Agreements.

7.14. **[RESERVED]**.

7.15. **Preservation of Business.** Seller shall use commercially reasonable efforts consistent with past practices to preserve the Station's Business and the organization of the Station and the Assets and to keep available to the Station its present employees and to preserve the audience of the Station and the Station's present relationships with suppliers, advertisers, and others having business relations with it.

7.16. **Normal Operations.** Subject to the terms and conditions of this Agreement (including, without limitation, Section 7.1), prior to the Closing, subject to the Operational Agreements, Seller shall carry on the Station's Business and the activities of the Station, including, without limitation, promotional activities, the sale of advertising time, entering into other contracts and agreements, purchasing and scheduling programming, performing research, and operating in all material respects in accordance with existing budgets and past practice and will not enter into trade and barter obligations except in the ordinary course of business consistent with past practice.

SECTION 8: SPECIAL COVENANTS AND AGREEMENTS

8.1. FCC Consent.

(a) The exchange and transfer of the Assets as contemplated by this Agreement is subject to the prior consent and approval of the FCC.

(b) No later than five (5) Business Days after the date of this Agreement, Seller and Buyer shall prepare and file with the FCC the appropriate application for FCC Consent. The parties shall prosecute the application with all reasonable diligence and otherwise use their respective best efforts to obtain a grant of the application as expeditiously as practicable. Each party agrees to make such additional filings with the FCC as may be necessary or appropriate to

give effect to the transactions contemplated by this Agreement in the reasonable judgment of such party's FCC counsel. Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on such party as the result of a circumstance the existence of which does not constitute a breach by that party of any of its representations, warranties or covenants hereunder, and (ii) compliance with the condition would have a Material Adverse Effect upon such party. Buyer and Seller shall oppose any petitions to deny or other objections filed with respect to the application for the FCC Consent and any requests for reconsideration or judicial review of the FCC Consent.

(c) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 11, the parties shall jointly request an extension of the effective period of the FCC Consent, as the case may be. No extension of the effective period of the FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 11.

8.2. **Risk of Loss.** The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets of Seller for any cause whatsoever shall be borne by Seller at all times prior to the Closing. In the event of loss or damage prior to the Closing Date, Seller shall use commercially reasonable efforts to fix, restore, or replace such loss, damage, impairment, confiscation, or condemnation to its former operational condition. If Seller has adequate replacement cost insurance, Buyer may elect to have Seller assign such insurance proceeds to Buyer, in which case, Buyer shall proceed with the Closing, and receive at the Closing the insurance proceeds or an assignment of the right to receive such insurance proceeds, as applicable, to which Seller otherwise would be entitled, whereupon Seller shall have no further liability to Buyer for such loss or damage.

8.3. **Confidentiality.** Except as necessary for the consummation of the transaction contemplated by this Agreement and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions specifically contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

8.4. **Cooperation.** Buyer and Seller shall reasonably cooperate with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and in connection with any litigation after the Closing Date which relate to the Station for periods prior to the Effective Time, Buyer and Seller shall execute such other documents as may be reasonably necessary and desirable to the implementation and consummation of this Agreement, and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations under this Agreement.

8.5. **Control of the Station.** Except as provided in the Operational Agreements or other agreements, prior to the Closing, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operations of the Station; those

operations, including complete control and supervision of Station's programs, employees and policies, shall be the sole responsibility of Seller.

8.6. **Allocation of Purchase Price.** Prior to the Closing Date of any Asset sale, Buyer and Seller shall agree upon the fair market value of the Assets of the Station (the "Fair Market Value of the Assets") and shall collaborate in good faith in the preparation of mutually satisfactory Form(s) 8594 (and Form 8824 to the extent applicable) reflecting the Fair Market Value of the Assets as agreed to by Buyer and Seller and such other information as is required by the Form. Buyer and Seller shall each file with their respective federal income tax return for the tax year in which the Closing occurs, IRS Form(s) 8594 (and Form 8824 to the extent applicable) containing the information agreed upon by the parties pursuant to the immediately preceding sentence. Buyer agree to report the purchase of the Assets, and Seller agree to report the sale of the Assets for income tax purposes on their respective income tax returns in a manner consistent with the information agreed upon by the parties pursuant to this Section 8.6 and contained in the IRS Form(s) 8594 (and Form 8824 to the extent applicable). If Seller and Buyer are unable to agree on such allocation, Seller and Buyer agree to retain a nationally recognized appraisal firm experienced in valuing broadcast properties to appraise the Assets. The appraisal firm shall perform such appraisal promptly. Buyer shall pay the costs of such appraisal.

8.7. **Access to Books and Records.** To the extent reasonably requested by Buyer, Seller shall provide Buyer access and the right to copy, from and after the Closing Date, any books and records relating to the Assets that are not included in the Assets. To the extent reasonably requested by Seller, Buyer shall provide Seller access and the right to copy, from and after the Closing Date, any books and records relating to the Assets that are included in the Assets. Buyer and Seller shall each retain any such books and records, for a period of three (3) years (or such longer period as may be required by law or good business practice) following the Closing Date.

8.8. **Employee Matters.**

(a) Upon consummation of the Closing, Buyer shall offer employment to each of the employees listed on Schedule 8.8(a) at a comparable salary, position and place of employment as held by each such employee immediately prior to the Closing Date (such employees who are given such offers of employment are referred to herein as the "**Transferred Employees**"). Notwithstanding anything to the contrary contained herein, Buyer is not obligated to hire any of Seller's employees or assume any Contract with any of Seller's employees, all of which employees that are not so hired and Contracts that are not so assumed shall be Excluded Assets.

(b) Except as provided otherwise in this Section 8.8, Seller shall pay, discharge and be responsible for (i) all salary and wages arising out of or relating to the employment of the Employees prior to the Closing Date, and (ii) any employee benefits arising under the Benefit Plans or Benefit Arrangements of Seller and its Affiliates prior to the Closing Date. From and after the Closing Date, Buyer shall pay, discharge and be responsible for all salary, wages and benefits arising out of or relating to the employment of the Transferred Employees by Buyer on and after the Closing Date. To the extent similarly situated employees of Buyer are generally eligible for such benefits, Buyer shall be responsible for all severance liabilities, and all COBRA

liabilities for any Transferred Employees of the Station terminated by Buyer on or after the Closing Date.

(c) Buyer shall cause all Transferred Employees as of the Closing Date to be eligible to participate in its “employee welfare benefit plans” and “employee pension benefit plans” (as defined in Section 3(1) and 3(2) of ERISA, respectively) in which similarly situated employees of Buyer are generally eligible to participate.

(d) For purposes of any length of service requirements, waiting period, vesting periods or differential benefits based on length of service in any such plan for which a Transferred Employee may be eligible after the Closing, Buyer shall ensure that, to the extent permitted by law, and except as limited by Buyer’s existing personnel policies, service by such Transferred Employee with Seller, any Affiliate of Seller or any prior owner of the Station shall be deemed to have been service with Buyer. In addition, Buyer shall ensure that each Transferred Employee receives credit under any welfare benefit plan of Buyer for any deductibles or co-payments paid by such Transferred Employee and his or her dependents for the current plan year under a plan maintained by Seller or any Affiliate of Seller to the extent allowable under any such plan. Buyer shall grant credit to each Transferred Employee for all sick leave in accordance with the policies of Buyer applicable generally to their employees after giving effect to service for Seller, any Affiliate of Seller or any prior owner of the Station, as service for Buyer. To the extent taken into account in determining prorations pursuant to Section 2.3 of this Agreement, Buyer shall assume and discharge Seller’s liabilities for the payment of all unused vacation leave accrued by Transferred Employees as of the Closing Date. To the extent any claim with respect to such accrued vacation leave is lodged against Seller with respect to any Transferred Employee for which Buyer has received a proration credit, Buyer shall, to the extent of such credit, indemnify, defend and hold harmless Seller from and against any and all losses, directly or indirectly, as a result of, or based upon or arising from the same.

(e) As soon as practicable following the Closing Date, Buyer shall make available to the Transferred Employees Buyer’s 401(k) Plan. To the extent requested by a Transferred Employee, Seller shall cause to be transferred to Buyer’s 401(k) Plan, in cash and in kind, all of the individual account balances of Transferred Employees under Seller’s Plan, including any outstanding plan participant loan receivables allocated to such accounts.

(f) Nothing in this Agreement shall be construed to provide employees of Seller with any rights under this Agreement, and no Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall only be enforceable by, the parties hereto and their respective successors and assigns as permitted hereunder.

8.9. **Public Announcements.** Seller and Buyer shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the transactions contemplated herein and shall not issue any such press release or make any such public statement without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, that a party may, without the prior written

consent of the other party, issue such press release or make such public statement as may be required by law or any listing agreement with a national securities exchange to which Buyer is a party if it has used all reasonable efforts to consult with the other party and to obtain such other party's consent but has been unable to do so in a timely manner.

8.10. **Bulk Sales Law.** Buyer hereby waives compliance by Seller in connection with the transactions contemplated hereby with the provisions of any applicable bulk transfer laws.

8.11. **Notification of Certain Matters; Delivery of Disclosure Schedules.**

(a) Seller shall give prompt written notice to Buyer of (i) the occurrence or non-occurrence of any change, condition or event the occurrence or non-occurrence of which would render any representation or warranty of Seller contained in this Agreement, if made on or immediately following the date of such event, untrue or inaccurate, if such occurrence or non-occurrence of any change, condition or event is reasonably likely to have a Material Adverse Effect, (ii) the occurrence of any change, condition or event that has had or is reasonably likely to have a Material Adverse Effect, (iii) any failure of Seller to comply with or satisfy any covenant or agreement to be complied with or satisfied by any of them hereunder or any event or condition that would otherwise result in the nonfulfillment of any of the conditions to Buyer's obligations hereunder, (iv) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the consummation of the transactions contemplated by this Agreement or (v) any Action seeking to restrain, enjoin, otherwise prohibit or delay the consummation of the transactions contemplated by this Agreement that is pending or, to Seller's Knowledge, threatened.

(b) No later than ten (10) calendar days after the execution of this Agreement by Buyer and Seller, Seller shall deliver to Buyer, the disclosure schedules referenced in this Agreement. Seller shall supplement the information set forth on the disclosure schedules referenced in Section 5 with respect to any matter arising after the delivery of the disclosure schedules that, if after the date of this Agreement, would be required to be set forth or described in such disclosure schedules or that is necessary to correct any information in such disclosure schedules or in any representation or warranty of Seller which has been rendered inaccurate thereby promptly following discovery thereof. Such information shall be updated (i) periodically upon the request of Buyer but not more frequently than once per year beginning with the first anniversary of the date of this Agreement (if not terminated by Buyer or Seller pursuant to Section 11 of this Agreement), and (ii) three (3) Business Days prior to the Closing Date. No such supplement shall be deemed to cure any breach of any representation or warranty made in this Agreement or have any effect for purposes of determining the satisfaction of the conditions set forth in Section 9.1(a) of this Agreement, the compliance by Seller with any covenant set forth herein or Buyer's rights to indemnification pursuant to Section 12.2 of this Agreement. In the event that this Agreement is assigned by Buyer pursuant to 11.10 of this Agreement, Buyer will cooperate with Seller to update the information set forth in such disclosure schedules.

8.12. **Good Faith Performance; Other Covenants.** Seller will not by amendment of a charter or through any reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of Assets, or any other voluntary action avoid or seek to avoid the observance or

performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of Buyer under this Agreement. Seller shall not take any action that would result in any of the representations set forth in Section 5 of this Agreement being untrue or incorrect in any respect. In furtherance of the foregoing, Seller and Stockholder covenants and agrees that, during the term of this Agreement, neither he nor it shall:

(a) transfer or cause to be transferred any of the Shares or the beneficial ownership interest therein except to Buyer or an Affiliate of Buyer;

(b) issue to any Person who is not a party to this Agreement any additional securities or rights to acquire additional securities of Seller; and

(c) undertake, initiate, support and/or vote as a stockholder of Seller for any action that would cause Seller to sell, lease, transfer or convey any of the Assets or the assets of any television station owned by Seller, except to Buyer or an Affiliate of Buyer.

8.13. **No Inconsistent Action.** Neither Seller nor Buyer shall take any action that is inconsistent with their obligations under this Agreement in any material respect or that could reasonably be expected to hinder or delay the consummation of the transactions contemplated by this Agreement. No Seller, nor any of Seller's respective representatives or agents, shall, directly or indirectly, solicit, initiate, or participate in any way in discussions or negotiations with, or provide any confidential information to, any Person (other than Buyer or any Affiliate or associate of Buyer and their respective representatives and agents) concerning any possible disposition of the Station, the sale of any Assets, the sale or disposition of any stock or other security of Seller whether or not issued and outstanding on the date hereof, or any similar transaction.

8.14. **Option Shares not Registered.** Buyer acknowledges its awareness that neither the Stock Option nor the Shares have been or will be registered under the Securities Act of 1933, as amended (the "Act"), or under any applicable state securities laws (the "State Acts"). The provisions of this Agreement with respect to the Stock Option and the sale of the Shares, if applicable, are subject to the Act and the State Acts.

SECTION 9: CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER

9.1. **Conditions to Obligations of Buyer.** All obligations of Buyer at the Closing hereunder with respect to the Station are subject, at Buyer's option, to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) **Representations and Warranties.** All representations and warranties of Seller, contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time (except for representations and warranties that speak as of a specific date or time which need only be true and complete as of such date or time), except where the failure to be so true and complete does not have a Material Adverse Effect.

(b) **Covenants and Conditions**. Seller, as applicable, shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date, except where the failure to have performed and complied does not have a Material Adverse Effect.

(c) **FCC Consent**. The FCC Consent shall have been granted, notwithstanding that it may not have yet become a Final Order, unless any filing is made with the FCC that pertains to or becomes associated with any request for consent to the assignment of the FCC Licenses, in which case, Buyer shall not be obligated to close until the FCC Consent shall have become a Final Order, unless in the reasonable judgment of Buyer's counsel such objection would not reasonably be expected to result in a denial of the FCC Consent or the designation for hearing of the application for FCC Consent.

(d) **Governmental Authorizations**. Seller shall be the holder of the FCC Licenses, and there shall not have been any modification, revocation, or non-renewal of any License that has caused a Material Adverse Effect. No proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any FCC License.

(e) **Deliveries**. Seller shall have made or stand willing to make all the deliveries to Buyer described in Section 10.2 of this Agreement.

(f) **Material Adverse Effect**. There shall not have occurred any change, event or development or prospective change, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

9.2. **Conditions to Obligations of Seller**. All obligations of Seller at the Closing hereunder are subject, at Seller's option, to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) **Representations and Warranties**. All representations and warranties of Buyer, contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) **Covenants and Conditions**. Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) **FCC Consent**. The FCC Consent shall have been granted.

(d) **Deliveries**. Buyer shall have made or stand willing to make all the deliveries described in Section 10.3 of this Agreement.

SECTION 10: CLOSING AND CLOSING DELIVERIES

10.1. **Closing.**

(a) **Closing Date.**

(i) Except as provided below in this Section 10.1 or as otherwise agreed to by Buyer and Seller, the Closing hereunder shall be held on a date specified by Buyer on at least five (5) Business Days' written notice (a "**Closing Notice**") that is not earlier than the first business day after or later than ten (10) Business Days after the date on which all of the conditions to Closing set forth in Sections 9.1 and 9.2 of this Agreement have been satisfied or waived.

(ii) If any event occurs that prevents signal transmission by the Station in the normal and usual manner and Seller cannot restore the normal and usual transmission before the date on which the Closing would otherwise occur pursuant to this Section 10.1(a), and this Agreement has not been terminated under Section 11, Seller shall diligently take such action as reasonably necessary to restore such transmission, and, at Buyer's option, the Closing shall be postponed until a date within the effective period of the FCC Consent (as it may be extended pursuant to Section 8.1(c) of this Agreement) to allow Seller to restore the normal and usual transmission for the Station. If the Closing is postponed by Buyer pursuant to this paragraph, the date of the Closing shall be ten (10) days after notice by Seller to Buyer that transmission has been restored. Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to close if the transmission of the Station is not operating in the normal and usual manner, unless and until Seller has restored the transmission of the Station to its normal and usual level.

(iii) If there is in effect on the date on which the Closing would otherwise occur pursuant to this Section 10.1(a) any judgment, decree or order that would prevent or make unlawful the Closing on that date, the Closing shall be postponed until a date within the effective period of the FCC Consent (as it may be extended pursuant to Section 8.1(c) of this Agreement), to be agreed upon by Buyer and Seller, when such judgment, decree, or order no longer prevents or makes unlawful the Closing. If the Closing is postponed pursuant to this paragraph, the date of the Closing shall be ten (10) days after notice by Buyer to Seller that such judgment, decree, or order no longer prevents or makes unlawful the Closing.

(b) **Closing Place.** The Closing hereunder shall be held at the offices of Thomas & Libowitz, P.A., 100 Light Street, Suite 1100, Baltimore, Maryland, 21202, or any other place that is mutually agreed upon by Buyer and Seller.

10.2. **Deliveries by Seller.** Prior to or on the Closing Date, Seller shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and their counsel:

(a) **Conveyancing Documents.** If Buyer purchases the Assets, duly executed deeds, bills of sale, motor vehicle titles, assignments, and other transfer documents that are sufficient to vest good and marketable title to the Assets being transferred at the Closing in the name of Buyer, free and clear of all mortgages, liens, restrictions, encumbrances, claims and obligations except for Permitted Encumbrances.

(b) **Officer's Certificate.** A certificate, dated as of the Closing Date, executed by an officer or member (as applicable) of Seller, certifying: (i) that the representations and warranties of Seller contained in this Agreement are true and complete as of the Closing Date as though made on and as of that date (except for representations and warranties that speak as of a specific date or time, which need only be true and complete as of such date or time), except to the extent that the failure of such representations and warranties shall not have had a Material Adverse Effect, and (ii) that Seller has in all respects performed and complied with all of its obligations, covenants and agreements in this Agreement to be performed and complied with on or prior to the Closing Date, except to the extent that the failure to perform such covenants shall not have had a Material Adverse Effect.

(c) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by Seller's Secretary or other appropriate official (i) certifying that the resolutions, as attached to such certificate, were duly adopted by such Seller's Board of Directors authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect, and (ii) providing, as attachments thereto, the Articles of Incorporation and Bylaws of Seller.

(d) **Good Standing Certificates.** Certificates as to the formation and/or good standing of Seller issued by the Secretary of State of the State of Delaware dated a date not more than a reasonable number of days prior to the Closing Date.

(e) **Share Certificates.** If Buyer purchases the Shares pursuant to the Stock Option, rather than delivering the conveyancing documents required by Section 10.2(a) of this Agreement, Seller shall cause to be issued in the name of and delivered to Buyer a certificate or certificates representing the Shares so purchased, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer, and such other documentation as Buyer deems legally necessary to transfer title to and beneficial ownership in the Shares into the name of Buyer or an Affiliate of Buyer.

(f) **RESERVED.**

(g) **RESERVED.**

(h) **RESERVED.**

(i) **Other Documents.** Such other documents reasonably requested by Buyer or their counsel for complete implementation of this Agreement and consummation of the transaction contemplated hereby.

10.3. **Deliveries by Buyer.** Prior to or on the Closing Date, Buyer shall deliver to Seller the following, in form and substance reasonably satisfactory to Seller and their counsel:

(a) **Closing Payment.** The payment due to Seller as described in Section 2.3 or Section 3.3(c) of this Agreement, as applicable.

(b) **Officer's Certificate.** A certificate, dated as of the Closing Date, executed on behalf of an officer of Buyer, certifying (i) that the representations and warranties of each Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (ii) that Buyer has in all material respects performed and complied with all of their obligations, covenants and agreements in this Agreement to be performed and complied with on or prior to the Closing Date.

(c) **Secretary's Certificate.** A certificate, dated as of the Closing Date, executed by Buyer's Secretary or other appropriate official, as applicable: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's Board of Directors or members, as applicable, authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect; and (ii) providing, as an attachment thereto, Buyer's Certificate of Incorporation and Bylaws or the Articles of Organization, as applicable.

(d) **Assumption Agreements.** If Buyer purchases the Assets, appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations and liabilities to the extent provided under this Agreement for the Station, including (without limitation) under the Licenses and the Assumed Contracts.

(e) **Good Standing Certificates.** Certificates as to the formation and/or good standing of Buyer issued by the Secretary of State of the State of Nevada to be dated a date not more than a reasonable number of days prior to the Closing Date.

(f) **RESERVED.**

(g) **RESERVED.**

(h) **RESERVED.**

(i) **Other Documents.** Such other documents reasonably requested by Seller or their counsel for complete implementation of this Agreement and consummation of the transactions contemplated hereby.

SECTION 11: TERMINATION

11.1. **Termination by Mutual Consent.** This Agreement may be terminated at any time prior to Closing by the mutual consent of the parties.

11.2. **Termination by Seller.** This Agreement may be terminated by Seller and the sale and transfer of the Station abandoned:

(a) if Buyer shall have materially defaulted in the performance of Buyer's material obligations under this Agreement and such default is not cured within thirty (30) calendar days after notice thereof to Buyer.

11.3. **Termination by Buyer.** This Agreement may be terminated by Buyer and the exchange and transfer of the Station abandoned:

(a) upon written notice to Seller if, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in Sections 9.1(a), 9.1(b), 9.1(c), and 9.1(e) of this Agreement has not been satisfied or waived in writing by Buyer, and Buyer is not then in material default hereunder; or

(b) if Seller shall have defaulted in the performance of any of Seller's obligations under this Agreement, and such default is not cured within thirty (30) days after notice thereof to Seller and such default has had a Material Adverse Effect.

11.4. **Termination Date.** Unless extended by mutual consent of Buyer and Seller, this Agreement shall terminate if Closing has not occurred by the Termination Date.

11.5. **Rights on Termination.** If this Agreement is terminated by Buyer pursuant to Section 11.3 as a result of a material breach by any Seller of any provision of this Agreement, Buyer shall have all rights and remedies available at law or equity, including the remedy of specific performance described in Section 11.5 below, and such termination shall not affect the rights to the payment set forth in Section 11.9 below. If this Agreement is terminated by Seller pursuant to Section 11.2 as a result of a material breach by any Buyer of any provision of this Agreement, Seller shall have all rights and remedies available at law or equity.

11.6. **Specific Performance.** The parties recognize that, if any party hereto breaches this Agreement and refuses to perform under the provisions of this Agreement, monetary damages alone would not be adequate to compensate the other party for its injury. Such party shall therefore be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement. If any action is brought by such party to enforce this Agreement, the breaching party shall waive the defense that there is an adequate remedy at law.

11.7. **Attorneys' Fees.** In the event of a default by any party that results in a 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 arbitration, at trial, or on appeal).

11.8. **Survival.** Notwithstanding the termination of this Agreement pursuant to this Section 11, the obligations of Buyer and Seller set forth in Sections 8.3, 11, 12, and 13 of this Agreement shall survive such termination, and the parties hereto shall have any and all rights and remedies to enforce such obligations provided at law or in equity or otherwise (including without limitations, specific performance).

SECTION 12: SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES

12.1. **Survival of Representations.** All representations and warranties, covenants and agreements of Seller and Buyer contained in or made pursuant to this Agreement or in any certificate furnished pursuant hereto shall survive the Closing Date and shall survive and remain in full force and effect for a period of sixty (60) calendar days; provided that the covenants and agreements set forth in Section 8.3(Confidentiality), Section 8.4 (Cooperation), Section 8.7 (Access to Books and Records), Section 13.1 (Fees and Expenses), Section 13.2 (Notices), and Section 13.3 (Benefit and Binding Effect), shall survive the Closing for the period provided therein or, if no period is specified, in perpetuity; and provided further that anything to the contrary in this Section 12.1 notwithstanding, any claim for indemnification under Section 12 hereof which is asserted in a reasonably detailed writing prior to the expiration of the survival periods provided in this Section 12.1 shall survive with respect to such claim or dispute until final resolution thereof.

12.2. **Indemnification by Seller.** After the Closing but subject to Sections 12.1 and 12.5 of this Agreement, Seller hereby agrees to indemnify and hold Buyer harmless against and with respect to and shall reimburse Buyer for:

(a) any and all obligations of Seller not assumed by Buyer pursuant to this Agreement, including any liabilities arising at any time under any Contract not included in the Assumed Contracts;

(b) any Loss resulting from the actual fraud or intentional misconduct of Seller or Stockholder;

(c) any Loss arising out of or resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Seller contained in this Agreement or in any certificate, document, or instrument delivered to Buyer under this Agreement;

(d) any and all out-of-pocket costs and expenses, including reasonable legal fees and expenses, incident to any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof or enforcing this indemnity.

12.3. **Indemnification by Buyer.** Notwithstanding the Closing, but subject to Sections 12.1 and 12.5 of this Agreement, Buyer hereby agrees to indemnify and hold Seller harmless against and with respect to and shall reimburse Seller for:

(a) any Loss arising out of or resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyer contained in this Agreement or in any certificate, document, or instrument delivered to Seller under this Agreement;

(b) any and all obligations of any Seller assumed by Buyer pursuant to this Agreement;

(c) any and all out-of-pocket costs and expenses, including reasonable legal fees and expenses, incident to any action, suit, proceeding, claim, demand, assessment, or judgment incident to the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

12.4. **Procedure for Indemnification.** The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the “**Claimant**”) shall promptly give notice to the party from which indemnification is claimed (the “**Indemnifying Party**”) of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant within five (5) Business Days after written notice of such action, suit, or proceeding was given to Claimant.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, 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 the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifying Party do not agree within the thirty (30) day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law or equity.

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, it shall be bound by the results obtained in good faith by the Claimant with respect to such claim.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) The indemnification rights provided in Sections 12.2 and 12.3 of this Agreement shall extend to the members, partners, shareholders, officers, directors, employees, representatives and affiliated entities of any Claimant although for the purpose of the procedures

set forth in this Section 12.4, any indemnification claims by such parties shall be made by and through the Claimant.

12.5. **Certain Limitations.**

(a) Notwithstanding any other provision of this Agreement to the contrary, in no event shall a party be entitled to indemnification for such party's consequential or punitive damages, regardless of the theory of recovery. Each party hereto agrees to use reasonable efforts to mitigate any losses which form the basis for any claim for indemnification hereunder.

(b) Seller shall not be required to indemnify Buyer for any Loss that is more than the amount paid by Buyer to Seller as the Purchase Price at Closing.

(c) Notwithstanding anything in this Agreement to the contrary, neither party shall indemnify or otherwise be liable to the other party with respect to any claim for any breach of any representation or warranty or for breach of any covenant contained in this Agreement, unless notice of the claim is given within the relevant survival period specified in Section 12.1.

SECTION 13: MISCELLANEOUS

13.1. **Fees and Expenses.**

(a) Buyer shall pay any filing fees charged by the FCC in connection with filing the applications to obtain the FCC Consent

(b) Buyer shall pay any filing fees, transfer taxes, document stamps, or other charges levied by any governmental entity (other than income Taxes, which shall be the responsibility of Seller) on account of the transfer of the Assets or the Shares from Seller to Buyer.

(c) Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Agreement, including all fees and expenses of counsel, accountants, agents and representatives, and each party shall be responsible for all fees or commissions payable to any finder, broker, advisor, or similar Person retained by or on behalf of such party.

13.2. **Notices.** All notices, requests, consents, payments, demands, and other communications required or contemplated under this Agreement shall be in writing and (a) personally delivered or sent via telecopy (receipt confirmed and followed promptly by delivery of the original), or (b) sent by Federal Express or other reputable overnight delivery service (for next Business Day delivery), shipping prepaid, as follows:

If to Buyer to:

[_____]

with a copy to (which shall not constitute notice):

[]

If to Seller to:

[]

with a copy to (which shall not constitute notice):

[]

or to such other Persons or addresses as any Person may request by notice given as aforesaid. Notices shall be deemed given and received at the time of personal delivery or completed telecopying, or, if sent by Federal Express or such other overnight delivery service one Business Day after such sending.

13.3. **Benefit and Binding Effect.** Buyer shall have the right to assign all or any portion of their rights under this Agreement to (a) any entity under common control with Buyer whether in existence or formed after the date hereof, (b) a Qualified Intermediary under Section 1031 of the Code, (c) any lender or any agent for such lender(s) for collateral purposes only, or (d) any third party, with prior five days prior written notice to Seller , provided, that no such assignment shall relieve Buyer of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No Person, other than the parties hereto, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder. Other than as expressly set forth in this Section 13.3, no party may assign or transfer all or any portion of its rights under this Agreement without the prior written consent of the parties hereto.

13.4. **Further Assurances.** The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

13.5. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF). IN ADDITION, EACH OF THE PARTIES HERETO SUBMITS TO LOCAL JURISDICTION IN THE STATE OF MARYLAND AND AGREES THAT ANY ACTION BY ANY PARTY HEREUNDER SHALL BE INSTITUTED IN THE STATE OF MARYLAND.

13.6. **Entire Agreement.** This Agreement, the Schedules hereto, and all documents, certificates and other documents to be delivered by the parties pursuant hereto represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing duly executed by each of the parties hereto.

13.7. **Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 13.7.

13.8. **Headings.** The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

13.9. **Counterparts.** This Agreement may be signed in two or more counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyer and Seller as of the date first written above.

Buyer:

[Sinclair Entity]

By: _____

Name: _____

Title: _____

Seller:

[_____]

By: _____

Name: _____

Title: _____

In his individual capacity for purposes of Section 3.2 only

[Stockholder]

DISCLOSURE SCHEDULE

To

EQUITY PURCHASE AGREEMENT

Dated 13th day of January, 2015

by and between Sinclair Communications, LLC

and

HSH Las Vegas (KVMY), LLC

and HSH Las Vegas (KVMY) Licensee, LLC

Schedule 1.2

Transmission Assets

Digital antenna currently used by KVMY

Schedule 1.3(a)

FCC Licenses

Main Station KVMY-DT, Las Vegas, NV
Facility ID No. 69677

Type of Authorization	Call Sign	Type
DTV License	KVMY-TV	MAIN-DTV

Broadcast Auxiliary Stations Associated with
Main Station KVMY-DT, Las Vegas, NV
Facility ID No. 69677

Type of Authorization	Call Sign	Expiration Date
Broadcast Auxiliary Low Power	BLP00787	10/01/2006
TV Pickup	KB96742	10/01/2006
TV Pickup	KB96756	10/01/2006
Studio Transmitter Link	WAN579	10/01/2006
TV Intercity Relay	WGV754	10/01/2006
TV Intercity Relay	WGV755	10/01/2006
TV Intercity Relay	WGV757	10/01/2006
TV Intercity Relay	WLF289	10/01/2006
Studio Transmitter Link	WQAJ478	10/01/2006
Remote Pickup	WQQA535	10/01/2006

Schedule 2.3

Required Consent

None

Schedule 2.5

Liens on Assets

None.

Schedule 4.1

FCC

The parties acknowledge that Seller will file an application with FCC to purchase the FCC License and then transfer the FCC License to Buyer.

Schedule 4.8

Other Actions

None

Schedule 5.1(g)

Other Closing Conditions

None