

**ASSET PURCHASE AGREEMENT**

**for**

**the SALE of RADIO STATIONS**

**LISTED ON APPENDIX I**

**by and among**

**SCRIPPS MEDIA, INC.,**

**SCRIPPS BROADCASTING HOLDINGS LLC,**

**as Sellers,**

**ARIZONA LOTUS CORP.,**

**as Buyer,**

**and**

**LOTUS COMMUNICATIONS CORP.,**

**as Buyer Guarantor**

**Dated as of August 6, 2018**

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## ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT**, dated August 6, 2018 (this “Agreement”), is by and among Scripps Media, Inc., a Delaware corporation (“Scripps”), Scripps Broadcasting Holdings, LLC, a Nevada limited liability company and wholly-owned subsidiary of Scripps (“SBH” and, together with Scripps, the “Sellers”), on the one hand, and Arizona Lotus Corp., an Arizona corporation (the “Buyer”), and Lotus Communications Corp., a California corporation and parent of the Buyer (the “Buyer Guarantor”), on the other hand. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in Section 1.1.

### WITNESSETH:

WHEREAS, on the date of this Agreement, the Sellers own and operate the radio broadcast stations identified in Appendix I (each, a “Station” and collectively, the “Stations”), pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”); and

WHEREAS, Buyer desires to purchase the Purchased Assets and assume the Assumed Liabilities, and the Sellers desire to sell the Purchased Assets and transfer the Assumed Liabilities to Buyer, on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), it is hereby agreed among the parties as follows.

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** As used in this Agreement, the following terms have the meanings specified or referred to in this Section 1.1.

“Agreement” has the meaning specified in the introductory paragraph hereof.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person. As used in this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Alternative Method” has the meaning specified in Section 5.7(d).

“Ancillary Agreements” means the Escrow Agreement, the Bill of Sale, the Contract Assignment and Assumption, the Lease Assignment and Assumption, the Purchased Intellectual Property Assignment, the Assignment of Arizona FCC Authorizations, the Deeds, the Buyer

TSA, and any certificate, agreement, document or other instrument to be executed and delivered in connection with the transactions contemplated by this Agreement.

“**Applicable Multi-Station Contract Rights**” has the meaning specified in Section 5.6.

“**Applicable Multi-Station Contract Obligations**” has the meaning specified in Section 5.6.

“**Appraisal**” has the meaning specified in Section 2.9.

“**Arizona Assets**” means the entire right, title and interest of the Sellers or their Affiliates, as the case may be, in, to and under the assets and properties (excepting only the Excluded Assets) of every kind and description, real, personal or mixed, tangible or intangible, owned or held by the Sellers or their Affiliates that relate to or are used or held for use in connection with the Business, including Sellers’ and their Affiliates’ entire right, title and interest to the following:

- (a) Arizona FCC Authorizations and all assignable Governmental Permits related to the Arizona Stations, including any applications therefor and renewals or modifications thereof between the date hereof and Closing;
- (b) Owned Real Property;
- (c) Leased Real Property;
- (d) Arizona Tangible Personal Property, including the Arizona Transmitters;
- (e) Arizona Intellectual Property;
- (f) Arizona Contracts;
- (g) All claims or causes of action of the Sellers or their Affiliates, as applicable, available to or being pursued against third parties solely to the extent that any such claims or causes of action arise out of the Purchased Assets or Assumed Liabilities;
- (h) All management and other systems (including computers and peripheral equipment), databases, computer software, disks and similar assets, and all licenses of the Sellers to the extent relating thereto;
- (i) The rights of Sellers or their Affiliates under warranties, indemnities and all similar rights against third parties to the extent related to the Purchased Assets;
- (j) All books and records of the Sellers or their Affiliates that relate to the Business, including all files, logs, programming information and studies, technical information and engineering data, news and advertising studies or consulting reports and sales correspondence exclusively relating to the Business, including all logs pertaining to each Station’s operations and

the “public file” required by 47 C.F.R. §73.3526 maintained for each Station, but excluding records relating to Excluded Assets or the Seller Television Stations; and

- (k) Websites and mobile applications, except Excluded Assets.

“**Arizona Contracts**” means (i) all Contracts of the Sellers or their Affiliates to the extent such Contracts are for the sale or barter of broadcast time on the Stations for advertising purposes and (if for barter) listed on Schedule 1.1(a)(i); (ii) all Contracts of the Sellers or their Affiliates to the extent such Contracts are for the purchase or lease, as applicable, of merchandise, supplies, equipment or other personal property, or for the receipt of services, in each case used in the ordinary course of the Business and listed on Schedule 1.1(a)(ii); (iii) all Contracts listed on Schedule 3.14; and (iv) any other Contract entered into by the Sellers or their Affiliates under Section 5.4, in each case except Excluded Assets.

“**Arizona FCC Authorizations**” means those Governmental Permits issued to SBH or any of its Affiliates (including Scripps) by the FCC with respect to the Stations, including those described on Schedule 3.8(a)(ii), as well as any renewals or modifications thereof between the date hereof and the Closing Date.

“**Arizona Intellectual Property**” means all Intellectual Property and intangible personal property used or held for use in connection with the Business, including the call signs of the Stations and all software and software licenses used or held for use in connection with the Business (other than those described in Section 2.2(n)), but, for the avoidance of doubt, excluding (i) any Intellectual Property, including call signs, used exclusively in connection with any Seller Television Stations and (ii) the rights and licenses under the Multi-Station Contracts that do not constitute Designated Multi-Station Contracts and the rights and licenses under the Designated Multi-Station Contracts that are not Applicable Multi-Station Contract Rights (all of which shall constitute Excluded Assets).

“**Arizona Liabilities**” means the following Liabilities of Sellers, and no others:

- (a) All Liabilities arising from, or relating to, the operation of the Stations, including the owning or holding of the Purchased Assets, on and after the Closing Date;
- (b) All Liabilities under the Assigned Contracts (except, in each case, to the extent that such liabilities or obligations were required by the terms thereof to be discharged before the Closing Date);
- (c) All Taxes (other than any Prorated Taxes) of the Buyer for any Tax period, and any Prorated Taxes for the portion of any Straddle Period beginning after the Closing Date (determined in accordance with Section 6.1); and
- (d) All Liabilities of the Buyer or its Affiliates pursuant to Section 6.2.

“**Arizona Tangible Personal Property**” means all Tangible Personal Property, including the Tangible Personal Property listed on Schedule 1.1(a)(iii), except Excluded Assets, used or held for use in connection with the Business, except for any retirements or dispositions thereof

made between the date hereof and Closing in accordance with Section 5.4. For the avoidance of doubt, the Arizona Tangible Personal Property shall include the Arizona Transmitters.

“**Arizona Transmitters**” means (i) the broadcasting tower ASR 1237818 owned by Sellers and located in Tucson, Arizona, together with the main, auxiliary, booster and translator facilities, which includes the transmitters, antennae, transmission lines and all related components and equipment used by the Sellers to broadcast the FM radio stations included among the Stations and (ii) the unregistered transmitting tower owned by Sellers and located in Tucson, Arizona, together with the main and auxiliary facilities, transmitter, and transmitter components and equipment used by the Sellers to broadcast the AM radio station included among the Stations.

“**Assigned Contracts**” means the Arizona Contracts.

“**Assignment of Arizona FCC Authorizations**” has the meaning specified in Section 2.7(a).

“**Assumed Liabilities**” means the Arizona Liabilities.

“**ASTM**” means the American Society for Testing and Materials.

“**B&P**” has the meaning specified in Section 2.9.

“**Bill of Sale**” has the meaning specified in Section 2.7(a).

“**Boise Employees**” means the individuals employed by either Seller with respect to the Boise Stations as of the Closing Date.

“**Boise Stations**” means the following radio stations of Sellers in Boise and Twin Falls, Idaho: KJOT-FM, KQXR-FM, KRVB-FM and KTHI-FM.

“**Bulk Transfer Laws**” has the meaning specified in Section 6.4.

“**Business**” means the business of the Stations (and shall not include the Seller Television Stations or the other businesses or assets of the Sellers or any of their Affiliates).

“**Business Day**” means any day on which the principal offices of the Securities and Exchange Commission are open to accept filings and on which banks in the City of New York are not required or authorized to close.

“**Buyer**” has the meaning specified in the introductory paragraph hereof.

“**Buyer Closing Certificate**” means a certificate, dated as of the Closing Date, signed by an executive officer of the Buyer and certifying as to the satisfaction of the conditions specified in Section 7.1.

“**Buyer Designated Officers**” means the following officers of the Buyer Guarantor: (a) Howard Kalmenson, President and CEO, and (b) James Kalmenson, First Senior Vice President.

“**Buyer Guarantor**” has the meaning specified in the introductory paragraph hereof.

“**Buyer Indemnified Party**” has the meaning specified in Section 9.2.

“**Buyer TSA**” has the meaning set forth in the definition of “Transition Services Agreements.”

“**Cap**” has the meaning specified in Section 9.4(c).

“**Casualty Loss**” has the meaning specified in Section 5.7(e).

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., and any regulations promulgated thereunder.

“**Claim Notice**” has the meaning specified in Section 9.4(a).

“**Closing**” has the meaning specified in Section 2.4.

“**Closing Date**” has the meaning specified in Section 2.4.

“**Closing Date Adjustments**” has the meaning specified in Section 2.6.

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

“**Collection Period**” has the meaning specified in Section 6.6.

“**Commitment**” has the meaning specified in Section 5.7(c).

“**Communications Act**” means the Communications Act of 1934, as amended, and the rules and regulations of the FCC promulgated under the foregoing, in each case, as in effect from time to time.

“**Confidentiality Agreement**” has the meaning specified in Section 5.1.

“**Contract Assignment and Assumption**” has the meaning set forth in Section 2.7.

“**Contracts**” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“**Cutoff Time**” means 11:59 P.M. (Eastern Standard Time) on the date immediately prior to the Closing Date.

“**Deed**” has the meaning set forth in Section 2.7.

“**Designated Multi-Station Contract**” has the meaning specified in Section 5.6.

“**Designated Officers**” means, with respect to the Buyer, the Buyer Designated Officers, and with respect to the Sellers, the Sellers Designated Officers.

“**Divestiture Purchasers**” means the KTGTV-FM Purchaser and the KQTH-FM Purchaser.

“**Divestiture Trust**” means, in the event of a Required Divestiture, the trust to be established before the Closing under the Divestiture Trust Agreement.

“**Divestiture Trust Agreement**” means the Divestiture Trust Agreement between Buyer and Divestiture Trustee, substantially in the form of Exhibit H, to be entered into at the Closing in the event of a Required Divestiture.

“**Divestiture Trustee**” means The Kalil Holding Group, LLC, an Arizona limited liability company.

“**Employee Plan**” means each material (i) pension, retirement, profit sharing, deferred compensation, stock bonus or other similar plan, (ii) medical, vision, dental or other health plan, (iii) life insurance plan and (iv) other employee benefit plan, in each case, to which Scripps is required to contribute, or which Scripps sponsors for the benefit of any of the Employees, or under which Employees (or their beneficiaries) are eligible to receive benefits, including any “employee benefit plan” (as defined in Section 3(3) of ERISA), but in each case excluding any plan that is a “multiemployer plan” within the meaning of ERISA Section 3(37).

“**Employees**” means the individuals employed by either Seller with respect to the Stations, all of which are listed on Schedule 3.12, and any full-time, part-time and per diem employees who become employed by either Seller with respect to the Stations after the date hereof in accordance with Section 5.4; provided, however, that no such Person shall be considered an “Employee” if he or she is not employed by a Seller at the Closing. For purposes of the foregoing, an individual nevertheless shall be considered “employed” by a Seller if he or she is on authorized leave of absence, to include an intermittent leave, sick leave, short-term disability leave or military leave. Notwithstanding the foregoing, individuals on long-term disability will not be considered as “employed” for purposes of this Agreement. An Employee’s particular leave status shall determine whether such individual becomes a Transferred Employee at Closing, all in accordance with Section 6.2(a) herein.

“**Employment Agreement**” means any written contract or agreement listed on Schedule 3.14 of either Seller with respect to any Employee pursuant to which such Seller has an actual or contingent liability to provide compensation or benefits in consideration for past, present or future services.

“**Employment Offer Threshold**” means that Buyer and its Affiliates shall have made employment offers to at least 70% of the sum of (i) the number of Employees who continue to be employed and assigned to the Stations on the Closing Date, plus (ii) the number of Boise Employees.

“**Employment Commencement Date**” has the meaning specified in Section 6.2(a).

“**Encumbrance**” means any lien (statutory or other), claim, charge, option, security interest, property right, mortgage, pledge, easement, condition, conditional sale or other title retention agreement, defect in title, encroachment, right of way, right of first refusal, covenant or other restrictions of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“**Environmental Consultant**” has the meaning specified in Section 5.7(d).

“**Environmental Law**” means all Laws relating to or addressing the prevention of pollution, the environment, human health, occupational health or safety, including but not limited to CERCLA, OSHA, RCRA, the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300(f) et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; and any state equivalents thereof.

“**Environmental Work**” has the meaning specified in Section 5.7(d).

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

“**Escrow Agent**” has the meaning specified in Section 2.5(b).

“**Escrow Agreement**” has the meaning specified in Section 2.5(b).

“**Escrow Deposit**” has the meaning specified in Section 2.5(b).

“**Excluded Assets**” has the meaning specified in Section 2.2.

“**Excluded Liabilities**” has the meaning specified in Section 2.3(b).

“**Excluded Owned Real Property**” means certain real property owned by Sellers (and not to be conveyed to the Buyer) used in the operation by Sellers of a Seller Television Station and that includes space on the roof of the building for an antenna (microwave STL link) that is used in the Business (which antenna is a Purchased Asset).

“**Expense**” means any and all expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against hereunder (including court filing fees, court costs, arbitration fees or costs, witness fees, and reasonable fees and disbursements of legal counsel, investigators, expert witnesses, consultants, accountants and other professionals).

“**FCC**” has the meaning specified in the preamble.

“**FCC Applications**” has the meaning specified in [Section 5.3\(a\)](#).

“**FCC Consent**” means action by the FCC (including action by staff acting on delegated authority) granting its consent to the FCC Applications.

“**Final**” means, with respect to each FCC Consent, that action will have been taken by the FCC (including action duly taken by the FCC’s staff under delegated authority), (a) which will not have been reversed, stayed, enjoined, set aside, annulled or suspended; (b) with respect to which no timely request for stay, petition for rehearing, appeal or certiorari, or *sua sponte* action of the FCC with comparable effect, will be pending; and (c) as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC will have expired or otherwise terminated.

“**FTC**” means the U.S. Federal Trade Commission.

“**GAAP**” means United States generally accepted accounting principles for financial reporting in effect throughout the periods involved.

“**Governmental Authority**” means any Governmental Body or political subdivision thereof, or any agency or instrumentality thereof, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or Orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Body**” means any foreign, federal, state, local or other governmental authority, or judicial or regulatory body.

“**Governmental Consents**” means (i) the FCC Consent, and (ii) all authorizations, consents, Orders and approvals of all Governmental Bodies, including any State Attorney General, that are or may become necessary for the execution, delivery and consummation of the transactions contemplated hereby.

“**Governmental Permits**” has the meaning specified in [Section 3.8\(a\)](#).

“**Hazardous Materials**” means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, regulated or defined as “hazardous,” “toxic” or words of similar import pursuant to any Environmental Law, including asbestos, asbestos containing material, petroleum or petroleum-derived substance or waste, or any constituent of any such substance or waste.

“**Indemnified Party**” has the meaning specified in [Section 9.6\(a\)](#).

“**Indemnitor**” has the meaning specified in [Section 9.6\(a\)](#).

**“Independent Accountant”** has the meaning specified in Section 2.6(b).

**“Industry”** has the meaning set forth in the definition of “Material Adverse Effect.”

**“Intellectual Property”** means (a) patents, (b) Trademarks, (c) copyrights, (d) registrations and applications for registration of any of the foregoing in (a)-(c), and (e) trade secrets, including advertising customer lists, mailing lists, processes, know-how and other proprietary or confidential information.

**“Intellectual Property Assignment”** has the meaning set forth in Section 2.7.

**“Kalil”** means Kalil & Co., Inc., an Arizona corporation.

**“Knowledge of the Buyer”** means, as to a particular matter, the actual knowledge of Buyer Designated Officers.

**“Knowledge of the Sellers”** means, as to a particular matter, the actual knowledge of the Sellers Designated Officers.

**“KQTH-FM Agreement”** means the Asset Purchase Agreement between the Buyer and KQTH-FM Purchaser, dated on or around the date of this Agreement, for the purchase and sale of the KQTH-FM Assets.

**“KQTH-FM Assets”** means the KQTH-FM FCC Authorizations and certain other Purchased Assets with respect to Station KQTH-FM that are identified as “KQTH-FM Assets” on the Schedules hereto.

**“KQTH-FM FCC Authorizations”** means the Seller FCC Authorizations issued to SBH or any of its Affiliates (including Scripps) by the FCC with respect to Station KQTH-FM, as well as any renewals or modifications thereof between the date hereof and the Closing Date.

**“KQTH-FM Purchaser”** means Family Life Broadcasting, Inc., an Arizona not-for-profit corporation.

**“KQTH-FM Transaction”** means the purchase and sale of the KQTH-FM Assets pursuant to the KQTH-FM Agreement.

**“KQTH-FM Transaction FCC Application”** means the necessary applications requesting the FCC’s consent to the Assignment of the KQTH-FM FCC Authorizations to the KQTH-FM Purchaser, as contemplated by this Agreement and the KQTH-FM Agreement.

**“KQTH-FM Transaction FCC Consent”** means action by the FCC (including action by staff acting on delegated authority) granting its consent to the KQTH-FM Transaction FCC Application.

**“KTGV-FM Agreement”** means the Asset Purchase Agreement between the Buyer and KTGv-FM Purchaser, dated on or around the date of this Agreement, for the purchase and sale of the KTGv-FM Assets.

**“KTGV-FM Assets”** means the KTGv-FM FCC Authorizations and certain other Purchased Assets with respect to Station KTGv-FM that are identified as “KTGV-FM Assets” on the Schedules hereto.

**“KTGV-FM FCC Authorizations”** means the Seller FCC Authorizations issued to SBH or any of its Affiliates (including Scripps) by the FCC with respect to the Station KTGv-FM, as well as any renewals or modifications thereof between the date hereof and the Closing Date.

**“KTGV-FM Purchaser”** means Bustos Media Holdings, LLC, a California limited liability company.

**“KTGV-FM Transaction”** means the purchase and sale of the KTGv-FM Assets pursuant to the KTGv-FM Agreement.

**“KTGV-FM Transaction FCC Application”** means the necessary applications requesting the FCC’s consent to the Assignment of the KTGv-FM FCC Authorizations to the KTGv-FM Purchaser, as contemplated by this Agreement and the KTGv-FM Agreement.

**“KTGV-FM Transaction FCC Consent”** means action by the FCC (including action by staff acting on delegated authority) granting its consent to the KTGv-FM Transaction FCC Application.

**“Laws”** means any and all domestic (federal, state or local) or foreign or provincial laws, statutes, ordinances, rules, published regulations, judgments, orders, injunctions, awards, or agency policies, procedures, requirements or decrees promulgated by any Governmental Authority.

**“Lease Assignment and Assumption”** has the meaning set forth in Section 2.7.

**“Leased Real Property”** has the meaning specified in Section 3.9(b).

**“Liabilities”** means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise.

**“Loss”** means any loss, cost, obligation, liability, settlement payment, award, judgment, fine, penalty, damage, expense, deficiency or other charge.

**“Market”** means, with respect to each of the Stations, the “Designated Market Area,” as determined by The Nielsen Company, of such Station.

**“Material Adverse Effect”** means any event, occurrence, fact, condition or change (each, an **“Event”**) that is, or is reasonably likely to become, individually or in the aggregate, materially adverse to (i) the ability of the Sellers to perform their respective obligations under this Agreement, or (ii) the value of the Purchased Assets, taken as a whole, or (iii) the results of operations or financial condition of the Business, taken as a whole; **provided, however, “Material Adverse Effect”** shall not include any Event, directly or indirectly, arising from or attributable to: (a) any changes that generally affect the broadcast radio industry in the United States (the **“Industry”**) or the Markets of the Stations, (b) resulting from the announcement of Scripps’s intention to sell the Business, including the announcement or pendency of this Agreement or the transactions contemplated hereby, or the facts, circumstances or events relating to the Buyer or its Affiliates, or actions taken by any of them, including the impact thereof on relationships, contractual or otherwise, with agents, customers, suppliers, vendors, licensees, licensors, lenders, partners, employees or regulators, including the FCC, (c) the taking of any action expressly required by, or the failure to take any action expressly prohibited by, this Agreement, or the taking of any action at the written request or with the prior written consent of the Buyer, (d) any failure of the Business to meet internal or external projections or forecasts or any estimates of earnings, revenues or other metrics for any period (**provided, however, that any such Event may be taken into account in determining whether there has been, or is reasonably likely to be, a Material Adverse Effect, except to the extent otherwise excluded hereunder,**), (e) any change in the economy or capital, financial or securities markets generally, including any change in interest or exchange rates, (f) changes in Laws or GAAP (or the interpretation thereof) or in legal, regulatory or political conditions, (g) the commencement, escalation or worsening of any war or armed hostilities or acts of terrorism or sabotage occurring after the date hereof, and (h) earthquakes, hurricanes, floods or other natural disasters; **provided, however, that any such Event listed in clauses (a), (e), (g) and (h) above shall be taken into account to determine whether a Material Adverse Effect has occurred or is reasonably likely to occur to the extent that such Event has a disproportionate effect on the Business, taken as a whole, compared to other participants in the Industry.**

**“Multi-Station Contract”** has the meaning specified in Section 5.6.

**“Multi-Station Replacement Contract”** has the meaning specified in Section 5.6.

**“Offeree Employee”** has the meaning specified in Section 6.2(a).

**“Order”** means any order, judgment, injunction, award, stipulation, decree or writ handed down, adopted or imposed by, including any consent decree, settlement agreement or similar written agreement with, any Governmental Body.

**“OSHA”** means the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq., and any regulations promulgated thereunder.

**“Owned Real Property”** has the meaning specified in Section 3.9(a).

**“Payment Date”** has the meaning specified in Section 2.6.

**“Permitted Encumbrance”** means:

- (a) liens for Taxes, assessments or other governmental charges that are not yet due and payable or Taxes being contested in good faith by appropriate proceedings;
- (b) the obligations assumed by the Buyer under any Real Property Leases included in the Assumed Liabilities;
- (c) zoning laws and ordinances and similar Laws and encumbrances affecting Real Property which do not prohibit or materially interfere with the current operation of any Real Property and which do not render title to any Real Property unmarketable;
- (d) any right reserved to any Governmental Authority to regulate the affected property;
- (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Encumbrance granted by any lessor, or any Encumbrance that the applicable lease is subject to, (ii) any statutory lien for amounts that are not yet due and payable, or are being contested in good faith, (iii) any subleases specifically identified as such in any Schedule hereto, and (iv) the rights of the grantor of any easement or any Encumbrance granted by such grantor on such easement property;
- (f) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters affecting title that do not materially adversely affect title to the property subject thereto or materially impair the continued use of the property in the ordinary course of the Business;
- (g) inchoate materialmen’s, mechanics’, carriers’, workmen’s, repairmen’s or other like Encumbrances arising in the ordinary course of business for amounts that are not yet due and payable or that are being contested in good faith by appropriate proceedings;
- (h) minor defects of title, easements, rights-of-way, restrictions and other Encumbrances not interfering with the present use of the applicable assets subject thereto;
- (i) any state of facts that an accurate survey would show, provided such facts do not render title unmarketable or interfere with the present use of the applicable Real Property;
- (j) for periods prior to the Closing Date, Encumbrances that will be released prior to or as of the Closing Date, including all mortgages and security interests securing indebtedness of the Sellers or any of their Affiliates;
- (k) licenses of Intellectual Property granted in the ordinary course of business that, individually or in the aggregate, do not, and would not reasonably be expected to, materially detract from the value of such Intellectual Property, or interfere with the use thereof by the Stations; and

(l) any other Encumbrance set forth in Schedule 1.1(b).

“**Person**” means any person, employee, individual, corporation, limited liability company, partnership, trust, or any other non-governmental entity or any governmental or regulatory authority or body.

“**Phase I ESA**” has the meaning specified in Section 5.7(d).

“**Phase I Report**” has the meaning specified in Section 5.7(d).

“**Phase I Time Period**” has the meaning specified in Section 5.7(d).

“**Phase II Consent**” has the meaning specified in Section 5.7(d).

“**Phase II Election Notice**” has the meaning specified in Section 5.7(d).

“**Phase II ESA**” has the meaning specified in Section 5.7(d).

“**Phase II Inspection**” has the meaning specified in Section 5.7(d).

“**Phase II Report**” has the meaning specified in Section 5.7(d).

“**Phase II Request**” has the meaning specified in Section 5.7(d).

“**Phase II Time Period**” has the meaning specified in Section 5.7(d).

“**Program Rights**” means all rights of the Stations to broadcast radio programs or shows as part of their programming, including all rights of the Stations under program barter agreements, sports rights agreements, news rights or service agreements, affiliation agreements and syndication agreements.

“**Prorated Taxes**” means all personal property, real property, intangible property and other ad valorem tax imposed on or with respect to the Business or the Purchased Assets for any taxable period that begins on or before and ends after the Closing Date.

“**Purchased Assets**” means the Arizona Assets.

“**Purchased Intellectual Property**” means the Arizona Intellectual Property.

“**Purchase Price**” has the meaning specified in Section 2.5.

“**Purchasing Party**” has the meaning specified in Section 2.8(a).

“**RCRA**” means the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq., and any regulations promulgated thereunder.

“**Real Property**” has the meaning specified in Section 3.9(b).

**“Real Property Lease”** has the meaning specified in Section 3.9(b).

**“Recognized Environmental Condition”** has the meaning specified in Section 5.7(d).

**“Release”** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

**“Required Consents”** has the meaning specified in Section 8.4.

**“Required Divestiture”** has the meaning specified in Section 2.4(d).

**“Retained Names and Marks”** means all (a) Trademarks containing or incorporating the term “Scripps,” (b) other Trademarks owned by the Sellers or any of their Affiliates (other than Trademarks included in the Purchased Intellectual Property), (c) variations or acronyms of any of the foregoing, and (d) Trademarks confusingly similar to or dilutive of any of the foregoing.

**“Sellers”** has the meaning specified in the introductory paragraph hereof.

**“Sellers Closing Certificate”** means a certificate, dated as of the Closing Date, signed by an executive officer of the Sellers and certifying as to the satisfaction of the conditions specified in Section 8.1.

**“Sellers Designated Officers”** means the following officers of Scripps: (a) Brian G. Lawlor, President, Local Media, (b) Steve Wexler, Vice President/Radio, and (c) the officers serving as general managers of the Stations as of the date of this Agreement or during the period beginning on the date hereof and ending on the Closing Date.

**“Seller FCC Authorizations”** means the Arizona FCC Authorizations.

**“Seller Television Station”** means any of the television broadcast stations licensed to the Sellers, including those stations in the same market as the Stations and identified on Appendix II hereto.

**“Sellers’ A/R”** has the meaning specified in Section 2.2(c).

**“Sellers’ Indemnified Party”** has the meaning specified in Section 9.3.

**“Solvent”** when used with respect to any Person or group of Persons on a combined basis, means that, as of any date of determination, (A) the amount of the “fair saleable value” of the assets of such Person (or group of Persons on a combined basis) will, as of such date, exceed (1) the value of all Liabilities of such Person, including contingent and other liabilities, as of such date, as such quoted terms are generally determined in accordance with applicable Laws governing determinations of the insolvency of debtors, and (2) the amount that will be required to pay the probable Liabilities of such Person (or group of Persons on a combined basis) on its

existing debts (including contingent Liabilities) as such debts become absolute and matured, (B) such Person (or group of Persons on a combined basis) will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date and (C) such Person (or group of Persons on a combined basis) will be able to pay its Liabilities, including contingent and other Liabilities, as they mature.

“**Stations**” has the meaning specified in the first recital hereof.

“**Station Agreements**” means the Contracts listed in Schedule 3.14.

“**Station KQTH-FM**” means FM Broadcast Station KQTH-FM, Tucson, Arizona, FCC Facility Identification Number 20403.

“**Station KTGv-FM**” means FM Broadcast Station KTGv, Oracle, Arizona, FCC Facility Identification Number 57504.

“**Straddle Period**” means any taxable period beginning on or before and ending after the Closing Date.

“**Survey**” has the meaning specified in Section 5.7(c).

“**Tangible Personal Property**” means all machinery, equipment (including computers and office equipment), auxiliary and translator facilities, transmitting towers, transmitters, broadcast equipment, antennae, supplies, inventory (including all programs, records, tapes, recordings, compact discs, cassettes, spare parts and equipment), vehicles, furniture, fixtures, and other tangible personal property.

“**Tax**” means any federal, state, local or foreign net income, alternative or add-on minimum, gross income, gross receipts, property, sales, use, transfer, gains, license, employment, payroll, capital stock, escheat, environmental, franchise, social security, stamp, registration and value-added taxes, withholding or minimum tax, or other tax, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Body.

“**Tax Return**” means any return, declaration, report, claim for refund or other document relating to Taxes, including any schedule or attachment thereto, and amendment thereof.

“**Termination Date**” has the meaning specified in Section 10.1(a)(v).

“**Third Party Claim Notice**” has the meaning specified in Section 9.7(a).

“**Threshold**” has the meaning specified in Section 9.4(b).

“**Title Company**” has the meaning specified in Section 5.7(c).

“**Title Evidence**” has the meaning specified in Section 5.7(c).

**“Trade Agreement”** means any contract, agreement or commitment, oral or written, other than program barter agreements or service barter agreements, pursuant to which a Station is obligated for commercial air time or commercial production services in consideration for any property or service in lieu of cash; provided, however, that Trade Agreements (and Assumed Liabilities with respect thereto) shall include only those agreements for which the obligation of a Station for commercial air time or commercial production services (a) was agreed upon in the ordinary course of business at the Stations’ then-prevailing rates, (b) does not extend for more than 52 weeks after the Closing Date, except where such extension relates to obligations of a Station for commercial air time or commercial production services that are not material in the aggregate, (c) is cancellable on no more than two-weeks’ notice, except where a longer cancellation notice period relates to obligations of a Station for commercial air time or commercial production services that are not material in the aggregate, and (d) is immediately pre-emptible for cash time sales or political or special programming.

**“Trademarks”** means trademarks, service marks, Internet domain names, trade dress, trade names, and corporate names, all applications and registrations for the foregoing, and all goodwill connected with the use thereof and symbolized thereby.

**“Transfer Taxes”** means all transfer, documentary, excise, sales, value added, goods and services, use, stamp, registration and other similar taxes, and all conveyance fees, recording charges and other similar fees and charges, incurred in connection with the consummation of the transactions contemplated by this Agreement.

**“Transferred Employees”** has the meaning specified in Section 6.2(a).

**“Transition Services Agreements”** means, collectively, (i) the transition services agreement between Scripps and the Buyer (the “Buyer TSA”), (ii) the transition services agreement between Scripps and the KQTH-FM Purchaser, if applicable, and (iii) the transition services agreement between Scripps and the KTGv-FM Purchaser, if applicable, in each case substantially in the form of Exhibit F, pursuant to which Scripps shall provide transitional services for the periods set forth therein.

**“Treasury Regulation”** means regulations promulgated by the United States Department of the Treasury under the Code.

**“Trust Employees”** means employees, if any, of the Divestiture Trust.

**“WARN Act”** means the Worker Adjustment and Retraining Act of 1988, as amended.

## ARTICLE II

### PURCHASE AND SALE OF PURCHASED ASSETS

**Section 2.1. Purchase and Sale of Purchased Assets.** Upon the terms and subject to the conditions of this Agreement, at the Closing:

(a) the Sellers shall, or shall cause their Affiliates to, sell, transfer, assign, convey and deliver, free and clear of all Encumbrances, except Permitted Encumbrances, the Arizona Assets to Buyer, and Buyer shall purchase the Arizona Assets from the Sellers;

(b) the Buyer shall simultaneously assign the KQTH-FM FCC Authorizations to the KQTH-FM Purchaser or, in the event of a Required Divestiture in respect of Station KQTH-FM, to the Divestiture Trust; and

(c) the Buyer shall simultaneously assign the KTGv-FM FCC Authorizations to the KTGv-FM Purchaser or, in the event of a Required Divestiture in respect of Station KTGv-FM, to the Divestiture Trust.

**Section 2.2. Excluded Assets.** Notwithstanding the foregoing, the Purchased Assets shall not include the following (the “Excluded Assets”):

(a) Any cash or cash equivalents (including any marketable securities or certificates of deposit) of the Sellers or their Affiliates, other than petty cash held at the Stations;

(b) All bank and other depository accounts of the Sellers and their Affiliates;

(c) All accounts receivable outstanding at the Cutoff Time generated by the Business prior to the Closing (“Sellers’ A/R”);

(d) All Tangible Personal Property of the Sellers or their Affiliates sold, transferred, retired or otherwise disposed of in the ordinary course of business between the date of this Agreement and Closing, the sale, transfer, retirement or disposition of which, either individually or in the aggregate, does not have a Material Adverse Effect;

(e) Contracts that are not Assigned Contracts;

(f) All claims, rights and interests of the Sellers in and to any refunds of Taxes or fees of any nature whatsoever, including all items of loss, deduction or credit for Tax purposes, in each case, relating to the Business, the Purchased Assets or the Assumed Liabilities for, or applicable to, periods (or portions thereof) ending prior to the Closing Date;

(g) Any rights, claims or causes of action of the Sellers against third parties relating to the operations of the Business prior to the Closing Date (including all amounts payable to the Sellers, if any, from the United States Copyright Office or such arbitration panels as may be appointed by the United States Copyright Office that relate to the Business prior to the Closing that have not been paid as of the Closing);

(h) All bonds held, and contracts or policies of insurance, and prepaid insurance with respect to such contracts or policies;

(i) The Sellers’ minute books, stock transfer books, records relating to formation or incorporation, Tax Returns and related documents and supporting work papers and any other

records and returns relating to Taxes, assessments and similar governmental levies (other than real and personal property Taxes, assessments and levies imposed on the Purchased Assets) and any books and records not relating exclusively to the Business;

(j) Any rights under any non-transferable shrink-wrapped or click-wrapped licenses of computer software and any other non-transferable licenses of computer software;

(k) All records prepared in connection with or relating to the sale or transfer of the Stations, including bids received from others and analyses relating to the Stations and the Purchased Assets;

(l) The Retained Names and Marks;

(m) All Intellectual Property of the Sellers (other than the Purchased Intellectual Property);

(n) All real and personal, tangible and intangible assets of the Sellers or their Affiliates (i) that are used or held for use in the operation of the Seller Television Stations; (ii) that are used or held for use in the operation of the national media businesses of Sellers or their Affiliates; (iii) that are used or held for use in the operation of radio broadcast stations of Sellers or their Affiliates other than the Stations; or (iv) that are used both in the operation of one or more of the Stations and in the operation of one or more of the Seller Television Stations or other radio broadcast stations and are listed on Schedule 2.2(n)(iv).

(o) All records and documents relating to Excluded Assets or to Liabilities other than Assumed Liabilities;

(p) All capital stock or other equity securities of the Sellers and all other equity interests in any entity that are owned beneficially or of record by the Sellers;

(q) Other than as set forth in Section 6.2, all of the employee benefit agreements, plans or arrangements sponsored or maintained by the Sellers or any of their Affiliates (including all Employee Plans) and any assets of any such agreement, plan or arrangement;

(r) Any intercompany receivables of the Business from the Sellers; and

(s) Any rights of or payment due to the Sellers, under or pursuant to this Agreement or the other agreements with the Buyer or any of its Affiliates contemplated hereby.

### **Section 2.3. Assumption of Liabilities; Excluded Liabilities.**

(a) Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, as of the Closing Date, the Buyer shall assume and shall thereafter be obligated for, and shall agree to pay, perform and discharge in accordance with their terms, the Assumed Liabilities, and no others.

(b) Excluded Liabilities. The Buyer shall not assume or be obligated for any of, and the Sellers shall solely retain, pay, perform, defend and discharge all of, the Liabilities other than Assumed Liabilities (the “Excluded Liabilities”), and, notwithstanding anything to the contrary contained herein, for the avoidance of doubt, none of the following shall be “Assumed Liabilities” for purposes of this Agreement:

(i) (x) all Taxes (other than any Prorated Taxes) of the Sellers or their Affiliates for any Tax period, (y) any Prorated Taxes for the portion of any Straddle Period beginning before the Closing Date (determined in accordance with Section 6.1), and (z) any Transfer Taxes that are the responsibility of the Sellers pursuant to Section 6.1;

(ii) other than as set forth in Section 6.2, any Liabilities of Sellers or their Affiliates with respect to any present or former employees, officers, directors, retirees, independent contractors or consultants, including under the employee benefit agreements, plans or arrangements sponsored or maintained by the Sellers, including all Employee Plans;

(iii) any intercompany payables of the Business owing to either of the Sellers or any of the Affiliates of the Sellers;

(iv) the obligations under the Multi-Station Contracts that are not Applicable Multi-Station Contract Liabilities treated as Assumed Liabilities pursuant to Section 5.6;

(v) any Liabilities of the Sellers under this Agreement or the Ancillary Agreements;

(vi) any environmental Liabilities relating to the Business or the Purchased Assets arising under Environmental Laws, to the extent arising out of or relating to facts, circumstances or conditions existing on or before the Closing and during Sellers’ operation of the Business or ownership of the Purchased Assets;

(vii) any Liabilities under any Assigned Contract (x) which is not validly and effectively assigned to Buyer under this Agreement (but without limiting the Buyer’s obligations under Section 2.8(b)) or (y) to the extent such Liabilities arise out of or relate to a breach by Sellers or their Affiliate of such Contracts before Closing; and

(viii) any Liabilities arising out of, in respect of or in connection with the failure by Seller or any of its Affiliates to comply with any Law or Governmental Order.

#### **Section 2.4. Closing.**

(a) Subject to Section 2.4(b) and Section 2.4(c) and any prior termination of this Agreement pursuant to Section 10.1, the purchase and sale of the Purchased Assets provided for in Section 2.1 (the “Closing”) shall be consummated at 12:00 noon, Los Angeles time, five (5) Business Days after the date the conditions set forth in Articles VII and VIII are satisfied or, if legally permissible, waived (other than those conditions that by their nature are to be satisfied (or validly waived) at the Closing, but subject to such satisfaction or waiver), and shall be conducted

electronically via email, facsimile transfer or other similar means of communication, unless such time or date is changed by mutual agreement of the Sellers and the Buyer (the date of the Closing under this Section 2.4, “Closing Date”).

(b) Notwithstanding anything set forth in this Agreement to the contrary, if (i) the KQTH-FM Transaction FCC Consent has not been obtained prior to the 30th day prior to the Termination Date, (ii) the condition set forth in Section 8.6 cannot otherwise be satisfied for any reason prior to the 30th day prior to the Termination Date (other than as a result of the failure to consummate the Closing hereunder), or (iii) the FCC Consent has not been obtained prior to the 30th day prior to the Termination Date and the principal reason such FCC Consent has not been obtained (as reasonably determined by the regulatory counsel of Sellers) relates to the KQTH-FM Transaction, but, in any such case, all other closing conditions in Articles VII and VIII (other than those conditions that by their nature are to be satisfied at Closing) shall have been satisfied or waived in accordance with the terms of this Agreement, at the election of Sellers by written notice to the Buyer, Buyer shall within five Business Days file an application for assignment of the KQTH-FM FCC Authorizations to the Divestiture Trustee, and Buyer and Seller will diligently take, or cooperate in the taking of, all necessary, desirable and commercially reasonable steps, to provide any additional information required by the FCC, and shall use commercially reasonable efforts to obtain promptly the FCC’s consent to that application. After obtaining the FCC Consent, including the FCC’s consent to the transfer at Closing of the KQTH-FM FCC Authorization from Buyer to the Divestiture Trustee, the Closing shall proceed and, at the Closing, which shall be held five Business Days after the necessary FCC Consent becomes Final, the Buyer shall simultaneously assign the KQTH-FM FCC Authorizations to the Divestiture Trustee.

(c) Notwithstanding anything set forth in this Agreement to the contrary, if (i) the KTGv-FM Transaction FCC Consent has not been obtained prior to the 30th day prior to the Termination Date, (ii) the condition set forth in Section 8.7 cannot otherwise be satisfied for any reason prior to the 30th day prior to the Termination Date (other than as a result of the failure to consummate the Closing hereunder), or (iii) the FCC Consent has not been obtained prior to the 30th day prior to the Termination Date and the principal reason such FCC Consent has not been obtained (as reasonably determined by the regulatory counsel of Sellers) relates to the KTGv-FM Transaction, but, in any such case, all other closing conditions in Articles VII and VIII (other than those conditions that by their nature are to be satisfied at Closing) shall have been satisfied or waived in accordance with the terms of this Agreement, at the election of Sellers by written notice to the Buyer, Buyer shall within five Business Days file an application for assignment of the KTGv-FM FCC Authorizations to the Divestiture Trustee, and Buyer and Seller will diligently take, or cooperate in the taking of, all necessary, desirable and commercially reasonable steps, to provide any additional information required by the FCC, and shall use commercially reasonable efforts to obtain promptly the FCC’s consent to that application. After obtaining the FCC Consent, including the FCC’s consent to the transfer at Closing of the KTGv-FM FCC Authorization from Buyer to the Divestiture Trust, the Closing shall proceed and, at the Closing, which shall be held five Business Days after the necessary FCC Consent becomes Final, the Buyer shall simultaneously assign the KTGv-FM FCC Authorizations to the Divestiture Trust and the Buyer shall transfer, assign, convey and deliver to the Divestiture Trustee.

(d) In the event of an election by the Sellers pursuant to Section 2.4(b) or Section 2.4(c) (a “Required Divestiture”):

(i) Upon Buyer’s request, delivered within five Business Days prior to the Closing Date, Sellers will use commercially reasonable efforts to facilitate any program format change Buyer and the Divestiture Trustee elect to effect concerning any Station, provided that such format change will take effect only immediately prior to Closing. Sellers will make appropriate on-air announcements as Buyer or the Divestiture Trustee shall reasonably request in connection with such change.

(ii) Notwithstanding anything to contrary in this Agreement, the Termination Date as defined in Section 10.1 shall be extended to the later of the 180<sup>th</sup> day following the date of filing of the application for assignment of the KQTH-FM FCC Authorizations to the Divestiture Trustee under Section 2.4(b) or the 180<sup>th</sup> day following the date of filing of the application for assignment of the KTGTV-FM FCC Authorizations to the Divestiture Trustee under Section 2.4(c).

### **Section 2.5. Purchase Price; Escrow Deposit.**

(a) Purchase Price. The purchase price for the Purchased Assets (the “Purchase Price”) shall be Five Million Dollars (\$5,000,000), subject to adjustment as provided in this Agreement. The Purchase Price shall be paid at Closing by (i) joint authorization to the Escrow Agent to release the Escrow Deposit to the Sellers and (ii) wire transfer in immediately available funds for the balance of the Purchase Price to an account designated by the Sellers not less than two Business Days before the Closing Date.

(b) Escrow Deposit. Upon the execution of this Agreement, the Buyer shall deliver to Kalil, as escrow agent (the “Escrow Agent”), by wire transfer of immediately available funds, the sum (the “Escrow Deposit”) of Five Hundred Thousand Dollars (\$500,000). The Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of this Agreement and the Earnest Money Escrow Agreement, dated the date of this Agreement, among the Buyer, the Sellers and the Escrow Agent (the “Escrow Agreement”). At the Closing, (i) the Escrow Deposit, excluding accrued interest thereon, shall be disbursed by the Escrow Agent to the Sellers and applied toward the Purchase Price and (ii) all accrued interest on the Escrow Deposit shall be disbursed by the Escrow Agent to the Buyer. If Sellers terminate this Agreement under Section 10.1(a)(ii), the Escrow Deposit will be disbursed to Sellers as liquidated damages under Section 11.16. If this Agreement is terminated for any other reason, the Escrow Deposit will be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest accrued thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

### **Section 2.6. Prorations and Adjustments.**

(a) All income and expenses arising from the Business, including Assumed Liabilities and prepaid expenses, ad valorem and property taxes and assessments (but excluding the Sellers’ A/R), annual regulatory fees payable to the FCC, power and utilities charges, and rents and similar prepaid and deferred items shall be prorated between the Sellers and the Buyer

in accordance with GAAP to reflect the principle that the Sellers shall be entitled to all income and be responsible for all expenses arising from the Business through the Cutoff Time and the Buyer shall be entitled to all income and be responsible for all expenses arising from the Business after the Cutoff Time. Notwithstanding anything in this Section 2.6 to the contrary, (i) except as set forth herein, with respect to Trade Agreements assumed by the Buyer, if at the Cutoff Time, the Trade Agreements have an aggregate negative balance (i.e., the amount by which the value of air time the Stations are obligated to provide after the Cutoff Time exceeds the fair market value of corresponding goods and services to be received by the Stations after such date), there shall be no proration or adjustment, unless the aggregate negative balance of the Stations' Trade Agreements exceeds \$25,000 in which event only such excess shall be treated as prepaid time sales of the Stations, and adjusted for as a proration in the Buyer's favor, (ii) there shall be no proration under this Section 2.6 to the extent there is an aggregate positive balance with respect to the Stations' Trade Agreements and (iii) there shall be no proration under this Section 2.6 for Program Rights agreements except to the extent that any payments or performance due under such Program Rights agreements relate to a payment period that straddles the Cutoff Time, in which case the amount payable in the payment period will be prorated based on the number of days in such period. The prorations and adjustments to be made pursuant to this Section 2.6 are referred to as the "Closing Date Adjustments."

(b) Five (5) Business days prior to the Closing Date, Scripps shall estimate all Closing Date Adjustments pursuant to this Section 2.6 and shall deliver a statement of the estimates to the Buyer (which statement shall set forth in reasonable detail the basis for those estimates) for Buyer's review and reasonable approval. At the Closing, the net amount due to the Buyer or the Sellers as a result of the estimated Closing Date Adjustments shall be applied as an adjustment to the Purchase Price, as appropriate. Within ninety (90) days after the Closing, the Buyer shall deliver to Scripps a statement of any adjustments to the aforesaid estimate of the Closing Date Adjustments, and no later than the close of business on the thirtieth (30<sup>th</sup>) day after the delivery of such statement (the "Payment Date"), the Buyer shall pay to the Sellers, or the Sellers shall pay to the Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). Except with respect to items that Scripps notifies the Buyer it objects to prior to the close of business on the date that is at least one (1) Business Day prior to the Payment Date, the adjustments set forth in the Buyer's statement shall be final and binding on the parties effective at the close of business on the Payment Date. If Scripps disputes the Buyer's determinations or the Buyer disputes Scripps' determinations, the parties shall consult with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties within thirty (30) days after the Payment Date. If such thirty (30) day consultation period expires and the dispute has not been resolved, then the parties shall select a mutually acceptable, nationally recognized independent accounting firm that does not then have a relationship with the Sellers or the Buyer (the "Independent Accountant"), to resolve the disagreement and make a determination with respect thereto as promptly as practicable. The determination by the Independent Accountant on the matter shall be binding. If an Independent Accountant is engaged pursuant to this Section 2.6, the fees and expenses of the Independent Accountant shall be borne by the Sellers and the Buyer in inverse proportion as such parties may prevail on the resolution of the disagreement, which proportionate allocation also will be determined by the Independent Accountant and be included in the Independent Accountant's written report, and an appropriate adjustment and payment shall

be made within three (3) Business Days after the resolution by the Independent Accountant, which resolution shall be rendered within thirty (30) days after such submission.

**Section 2.7. Closing Date Deliveries.**

- (a) At the Closing, the Sellers shall deliver or cause to be delivered to the Buyer:
- (i) a bill of sale from the Sellers, substantially in the form of Exhibit A, providing for the conveyance of the Purchased Assets (other than the Owned Real Property, the Purchased Intellectual Property, Leased Real Property, the Assigned Contracts and the Seller FCC Authorizations) to Buyer (the “Bill of Sale”),
  - (ii) a contract assignment and assumption agreement, substantially in the form of Exhibit B, between Sellers and Buyer (the “Contract Assignment and Assumption”),
  - (iii) a lease assignment and assumption agreement, substantially in the form of Exhibit C, between Sellers and Buyer (the “Lease Assignment and Assumption”),
  - (iv) a purchased intellectual property assignment and assumption agreement, substantially in the form of Exhibit D, between the Sellers and Buyer (the “Intellectual Property Assignment”),
  - (v) an assignment, substantially in the form of Exhibit E, from the Sellers of the Arizona FCC Authorizations (the “Assignment of Arizona FCC Authorizations”), assigning the Arizona FCC Authorizations to Buyer,
  - (vi) the Transition Services Agreements,
  - (vii) special warranty deeds in recordable forms, substantially in the form attached as Exhibit G, conveying the Owned Real Property to the Buyer or the Buyer’s designee (each, a “Deed”),
  - (viii) all the documents and instruments required to be delivered by the Sellers pursuant to Article VIII,
  - (ix) any Multi-Station Replacement Contract received pursuant to Section 5.6,
  - (x) the Sellers Closing Certificate, and
  - (xi) such other documents and instruments as the Buyer has determined to be reasonably necessary to consummate the transactions contemplated hereby.
- (b) At the Closing, the Buyer shall deliver or cause to be delivered to the Sellers:
- (i) the Purchase Price,
  - (ii) the Contract Assignment and Assumption,

- (iii) the Lease Assignment and Assumption,
- (iv) the Intellectual Property Assignment and Assumption,
- (v) the Transition Services Agreements,
- (vi) all the documents and instruments required to be delivered by the Buyer pursuant to Article VII,
- (vii) any Multi-Station Replacement Contract received pursuant to Section 5.6,
- (viii) the Buyer Closing Certificate, and
- (ix) such other documents and instruments as the Sellers have determined to be reasonably necessary to consummate the transactions contemplated hereby.

(c) In the event of a Required Divestiture, at the Closing, the Buyer and the Divestiture Trustee shall enter into and deliver to each other (i) the Divestiture Trust Agreement and (ii) such other documents and instruments as the Divestiture Trustee and the Buyer determine reasonably necessary to operate the Divestiture Trust in compliance with the Communications Act.

#### **Section 2.8. Further Assurances.**

(a) From time to time following the Closing, the Sellers shall execute and deliver, or cause to be executed and delivered, to the Buyer, or, at the Buyer's request, the KQTH-FM Purchaser, the KTGv-FM Purchaser, or the Divestiture Trustee, as the case may be (each, a "Purchasing Party"), such other instruments of conveyance and transfer as the Purchasing Party may reasonably request or as may be otherwise necessary to effectively convey and transfer to, and vest in, the Purchasing Party and put the Purchasing Party in possession of, any part of the Purchased Assets, which it acquired under this Agreement, the KQTH-FM Agreement, the KTGv-FM Agreement.

(b) Without limiting Section 5.3(c) and Section 8.4, to the extent that any Assigned Contract cannot be assigned without consent and such consent is not obtained prior to the Closing, (i) this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof, (ii) the Buyer, at its option exercisable by providing written notice to Sellers at the Closing, may elect not to take the assignment of such contract and (iii) for those contracts for which Buyer does not make such an election, the Sellers, at their expense, shall use commercially reasonable efforts to provide the Buyer the benefits of any such agreement, the Buyer shall perform or discharge on behalf of the Sellers the obligations and liabilities under such agreement that would constitute Assumed Liabilities if such Assigned Contract were effectively assigned to the Buyer, and the Sellers and the Buyer shall, and shall cause their respective Affiliates to, use commercially reasonable efforts to obtain each and every consent not obtained prior to the Closing (provided that neither the Sellers, the Buyer nor any of their respective Affiliates shall have any obligation to offer or pay any consideration to obtain

any such consent, including, with respect to the Buyer any obligation to amend, modify or otherwise alter the terms of any such Contract). In addition to the Buyer's obligation pursuant to the foregoing sentence, as to any Assigned Contract that is not effectively assigned to the Buyer as of the Closing Date but is thereafter effectively assigned to the Buyer, the Buyer shall, from and after the effective date of such assignment, assume, and shall thereafter pay, perform and discharge as and when due, all Assumed Liabilities of the Sellers arising under such Contract. Buyer shall not be deemed to have waived its rights under Section 8.4 unless Buyer provides a written waiver thereof or elects to proceed with the Closing.

(c) From time to time following the Closing, the Buyer shall execute and deliver, or cause to be executed and delivered, to the Sellers such other undertakings and assumptions as the Sellers may reasonably request or as may be otherwise necessary to effectively evidence the Buyer's assumption of and obligation to pay, perform and discharge the Assumed Liabilities.

**Section 2.9. Allocation of Purchase Price.** The Buyer and Sellers agree that the fair market value of the Purchased Assets will be appraised by the appraisal firm of Bond & Pecaro ("B&P") (the "Appraisal"). All costs and expenses of B&P in preparing the Appraisal shall be borne by the Buyer. Within 60 days after the Closing Date, the Buyer shall deliver to Scripps a copy of the Appraisal and an allocation statement with its proposed allocations of the applicable portions of the Purchase Price in accordance with the Appraisal and Section 1060 of the Code and the Treasury Regulations promulgated thereunder (and any similar provisions of state, local, or non-U.S. Law, as appropriate). If Scripps does not notify the Buyer before the close of business on the date that is 60 days after the date of receipt by Scripps of the Appraisal and such allocation statement that it disputes any of the Buyer's allocations, the allocations set forth in the Buyer's allocation statement shall be final and binding on the parties and the parties shall complete and timely file any necessary Tax forms, and their respective income Tax Returns, in accordance with such allocations. If Scripps notifies the Buyer within such 60-day period that it disputes any of the Buyer's allocations, the parties shall negotiate in good faith to finalize such disputed allocations no later than 30 days after the date of receipt by the Buyer of such notice from Scripps. If the Buyer and Scripps are unable to agree on such allocations within such 30-day period, the allocations shall be referred to a mutually agreed upon neutral accounting firm, which will determine only the matters in dispute. The determination by such firm on the matters shall be binding. If an accounting firm is engaged under this Section 2.9, the fees and expenses of such firm shall be borne 50% by Scripps and 50% by the Buyer. The Buyer and Seller shall complete and timely file any necessary Tax forms, and their respective income Tax Returns, in accordance with their mutual agreement and otherwise in accordance with the determination of such firm. None of the Buyer, Sellers or their respective Affiliates shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such allocation unless required to do so by applicable Law.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE SELLERS

As an inducement to the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Sellers represent and warrant, jointly and severally, to the Buyer as follows.

**Section 3.1. Organization.** Scripps is organized, validly existing and in good standing under the laws of the state of Delaware. SBH is organized, validly existing and in good standing under the laws of the state of Nevada. Each of the Sellers has the requisite organizational power and authority to operate the Stations as now operated by it, to use the Purchased Assets as now used by it and to carry on the Business as now conducted by it. Each of the Sellers is duly licensed or qualified to do business, and is in good standing in each jurisdiction in which ownership of the Purchased Assets or the operation of the Business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

**Section 3.2. Authority of the Sellers.**

(a) Each of the Sellers has the requisite organizational power and authority to execute and deliver this Agreement and the Ancillary Agreements to be executed and delivered by it pursuant hereto, to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

(b) The execution, delivery and performance by the Sellers of this Agreement and the Ancillary Agreements (to the extent a party thereto) have been duly authorized and approved by all necessary organizational action on the part of the Sellers and do not require any further authorization or consent on the part of the Sellers or their Affiliates. This Agreement is, and each other Ancillary Agreement when executed and delivered by the Sellers (to the extent a party thereto) will be, a legal, valid and binding agreement of the Sellers, enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Except for the FCC Consent and as set forth in Schedule 3.2(c), none of the execution, delivery and performance by the Sellers of this Agreement or the Ancillary Agreements, the consummation by the Sellers of the transactions contemplated hereby or thereby, or compliance by the Sellers with or fulfillment by the Sellers of the terms, conditions and provisions hereof or thereof will:

(i) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in creation of rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Encumbrance upon any of the Purchased Assets under, (A) the certificate of incorporation, bylaws or other organizational documents of the Sellers, (B) any Station Agreement, (C) any Governmental Permit, (D) any judgment, order, award or decree to which such Person is a party or any of the Purchased Assets is subject or by which such Person is bound, or (E) any material indenture, note, mortgage, lease, guaranty or material agreement to which either of the Sellers is a party; or

(ii) require the approval, consent, or authorization of, or the making by the Sellers of any declaration, filing or registration with, any (A) third party under any Assigned Contract or (B) Governmental Authority.

**Section 3.3. Monthly Statements.** The Sellers have delivered to the Buyer statements of revenue and expense of each market of the Stations for each month in the period from April 1, 2015 through December 31, 2017. Each of these statements has been derived from the books and records of the Sellers. None of these statements has been prepared in accordance with GAAP, but each fairly presents in all material respects the revenues, operating expenses and broadcast cash flow of each Station for the period indicated.

**Section 3.4. Operations Since December 31, 2017.**

(a) Except as set forth in Schedule 3.4(a), from and after January 1, 2018, there has been no change in the financial condition or the results of operations of the Business, which, individually or in the aggregate, has had or would reasonably be likely to have, a Material Adverse Effect.

(b) Except as set forth in Schedule 3.4(b), from and after January 1, 2018, through the date of this Agreement, the Business has been conducted in all material respects in the ordinary course other than in connection with the process relating to the sale of the Business.

**Section 3.5. No Undisclosed Liabilities.** Except as set forth in Schedule 3.5, neither of the Sellers is subject, with respect to the Business, to any Liability (including unasserted claims, whether known or unknown), whether absolute, contingent, accrued or otherwise, which would be required to be included on a balance sheet of the Business prepared in accordance with GAAP, except for Liabilities which are (a) incurred in the ordinary course of business since December 31, 2017, (b) Liabilities to be performed in the ordinary course of business pursuant to the Station Agreements and other Assigned Contracts, or (c) which, individually or in the aggregate, have not had and would not be reasonably likely to have a Material Adverse Effect.

**Section 3.6. Taxes.**

(a) Except set forth in Schedule 3.6(a):

(i) the Sellers have timely filed, or will timely file, Tax Returns with respect to the Business and the Purchased Assets required to be filed before the Closing Date, and all such Tax Returns were (or will be) true, correct and complete in all material respects, and has paid (or will pay) all Taxes reflected on such Tax Returns,

(ii) the Sellers are in compliance in all material respects with the provisions of the Code relating to the withholding and payment of Taxes with respect to the Business and the Purchased Assets and have, within the time and in the manner prescribed by Law, withheld from employee wages and paid over to the proper Governmental Body all required amounts,

(iii) there are no liens for Taxes on any of the Purchased Assets other than Permitted Encumbrances,

(iv) no extensions or waivers of statutes of limitations are currently in effect or under request by Sellers with respect to any Taxes of Sellers with respect to the Business and Purchased Assets; and

(v) all deficiencies asserted, or assessments made, against Sellers as a result of any examinations by any taxing authority that relate to Taxes with respect to the Business and the Purchased Assets have been fully paid.

(b) To the Knowledge of the Sellers, except as set forth on Schedule 3.6(b), (i) no Tax Return relating to the Business or the Purchased Assets is currently under audit or examination by any Governmental Body, and (ii) there are no suits, actions, proceedings or investigations pending with respect to any Taxes relating to the Business or the Purchased Assets.

(c) The representations and warranties contained in this Section 3.6 are the sole and exclusive representations and warranties of the Sellers relating to Taxes.

**Section 3.7. Sufficiency and Condition of Assets.** The Purchased Assets, together with the rights, licenses, services and benefits to be provided pursuant to this Agreement and the Ancillary Agreements, constitute all the assets and properties, whether tangible or intangible, whether personal, real or mixed, or wherever located, that are reasonably necessary to operate the Stations following the Closing in substantially the same manner in all material respects as presently operated by the Sellers. Except as disclosed on Schedule 3.7, the Tangible Personal Property comprising part of the Purchased Assets are, in all material respects, structurally sound, in good operating condition and repair (ordinary wear and tear excepted), and adequate for the uses to which they are being put, and none of such Tangible Personal Property is in need of maintenance or repairs, except for ordinary, routine maintenance and repairs that are not material in nature or cost. Except for the Excluded Owned Real Property and Applicable Multi-Station Contract Rights that are not assigned to Buyer pursuant to Section 5.6, none of the Excluded Assets is material to the Business.

**Section 3.8. Governmental Permits; FCC Matters.**

(a) Each of the Sellers holds or possesses all registrations, licenses, permits, approvals, franchises, certificates, variances and regulatory authorizations required by any Governmental Authority to entitle it to own or lease, operate and use the Purchased Assets and to carry on and conduct the Business as conducted immediately prior to the date of this Agreement (herein collectively called "Governmental Permits"). All fees and charges with respect to such Governmental Permits as of the date hereof have been paid in full. Schedule 3.8(a)(i) sets forth a list of all Governmental Permits, except Seller FCC Authorizations, issued to the Sellers or their Affiliates, including the names of the Governmental Permits and their respective dates of issuance and expiration. Schedule 3.8(a)(ii) sets forth a list of each of the Seller FCC Authorizations, held by the Sellers or their Affiliates as of the date of this Agreement. The Seller

FCC Authorizations constitute all registrations, licenses, franchises, and permits issued by the FCC to the Sellers in respect of the Stations and held by the Sellers as of the date of this Agreement.

(b) Each of the Sellers has fulfilled and performed its obligations under each of the Governmental Permits. Each of the Governmental Permits is valid, subsisting and in full force and effect and has not been revoked, suspended, canceled, rescinded or terminated.

(c) Each of the Stations is being operated in accordance with the Seller FCC Authorizations and in compliance with the Communications Act and all other Laws applicable to the Stations. Except as disclosed in Schedule 3.8(c), there is no (i) pending, or, to the Knowledge of the Sellers, threatened, material action or legal proceeding, other than actions or proceedings affecting broadcast radio stations generally, by or before the FCC to revoke, suspend, cancel, rescind, terminate, materially adversely modify or refuse to renew in the ordinary course any Seller FCC Authorization (other than, in the case of modifications, proceedings to amend the FCC rules of general applicability), or (ii) issued or outstanding, by or before the FCC, (A) order to show cause, (B) notice of violation, (C) notice of apparent liability or (D) order of forfeiture, in each case, against the Stations or the Sellers with respect to the Stations. The Seller FCC Authorizations have been issued by the FCC for full terms customarily issued by the FCC for each class of Station, and the Seller FCC Authorizations are not subject to any condition except for those conditions appearing on the face of the Seller FCC Authorizations and conditions applicable to broadcast licenses generally. The Sellers have (i) paid or caused to be paid all FCC regulatory fees due and payable by them in respect of the Stations, and (ii) filed all material registrations and reports required to have been filed by them with the FCC relating to the Seller FCC Authorizations. This Section 3.8 does not relate to Governmental Permits for environmental, health and safety matters, which are the subject solely of Section 3.19.

### **Section 3.9. Real Property; Real Property Leases.**

(a) Schedule 3.9(a) contains a brief description of all real property owned by the Sellers as of the date of this Agreement and used in the Business other than the Excluded Owned Real Property (the “Owned Real Property”). The Sellers, as applicable, have good and valid title (free and clear of any Encumbrances other than Permitted Encumbrances) to the Owned Real Property.

(b) Schedule 3.9(b) sets forth a list of each lease or similar Contract under which either of the Sellers is a lessee of, or occupies, for use in the Business, any real property owned by any third party (each such lease or similar Contract, whether or not material, a “Real Property Lease,” and the property leased under the Real Property Leases is referred to herein as the “Leased Real Property” and, together with the Owned Real Property, as the “Real Property”) that is in effect as of the date of this Agreement. Each Seller, as applicable, has a valid leasehold interest in, sub-leasehold interest in, or other occupancy right with respect to, the leased or occupied premises under the Real Property Leases in effect as of the date hereof.

(c) Sellers have delivered to Buyer (i) true and complete copies of all Real Property Leases and (ii) copies of all title insurance policies, opinions, abstracts and surveys in Sellers' possession and control with respect to the Owned Real Property.

(d) Neither the whole nor any part of the Owned Real Property nor any property leased by the Sellers under any Real Property Lease, is subject to any pending or, to the Knowledge of Sellers, threatened suit for condemnation or other taking by any public authority. The Sellers' use and occupancy of the Real Property complies in all material respects with all regulations, codes, ordinances and statutes of all applicable Governmental Bodies.

**Section 3.10. Intellectual Property.**

(a) Schedule 3.10(a) contains a list of Intellectual Property registrations and applications for registration and Internet domain name registrations, in each case, that are included in the Purchased Intellectual Property. Each registration included in the Purchased Intellectual Property is valid and enforceable and each registration and pending application included in the Purchased Intellectual Property is subsisting.

(b) The Business is not infringing, misappropriating or otherwise violating any Intellectual Property owned by any third party. The Buyer acknowledges that the representations and warranties set forth in this Section 3.10 are the only representations and warranties the Sellers make in this Agreement with respect to any activity that constitutes, or otherwise with respect to, infringement, misappropriation or other violation of Intellectual Property.

(c) There are no actions, suits or proceedings by or before any court or any Governmental Body against the Sellers which are pending or, to the Knowledge of the Sellers, threatened regarding or disputing the ownership, registrability or enforceability, or use by the Sellers, of any Purchased Intellectual Property, other than the review of pending patent and trademark applications by applicable Governmental Bodies. Neither of the Sellers is a party to any outstanding Order that restricts the use or ownership of any Purchased Intellectual Property, except as set forth in Schedule 3.10(c).

**Section 3.11. Title to Tangible Personal Property.** The Sellers have good and valid title or a valid right to use all Tangible Personal Property included in the Purchased Assets, free and clear of all Encumbrances, except for Permitted Encumbrances.

**Section 3.12. Employees.** Schedule 3.12 contains: (a) a list of all Employees of the Sellers as of the date of this Agreement, whose employment relates exclusively to the Business; (b) each such Employee's (i) job title, (ii) date of hire, and (iii) rate of compensation as of the date of this Agreement, and (c) identification as to whether such Employee is covered by a labor agreement or collective bargaining agreement. One week prior to the Closing Date, Sellers will deliver to the Buyer an updated Schedule 3.12 containing the foregoing information relating to Employees of the Sellers hired following the date of this Agreement.

**Section 3.13. Employee Relations.** Except as disclosed on Schedule 3.13, as of the date of this Agreement, no unfair labor practice charge against either Seller in respect of the

Stations is pending or, to the Knowledge of the Sellers, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal. As of the date of this Agreement, there is no strike or other material labor dispute pending or, to the Knowledge of the Sellers, threatened in respect of the Stations.

**Section 3.14. Contracts.** Except as set forth in Schedule 3.14 or Schedule 5.6, as of the date of this Agreement, neither Seller is party to or bound by:

- (a) any executory Contract for the purchase or sale of material assets to be used in the Business;
- (b) any affiliation agreement applicable to the Business under which it would reasonably be expected that the Business would make payments of \$25,000 over the remaining term of such Contract;
- (c) any Contract that is a local marketing agreement, time brokerage agreement, joint sales agreement, shared services agreement, management services agreement, or local news sharing agreement applicable to the Business;
- (d) any partnership or joint venture Contract applicable to the Business;
- (e) any Contract for capital expenditures with respect to the Business for an amount in excess of \$25,000 over the remaining term of such Contract;
- (f) any Employment Agreement applicable to the Business;
- (g) any Real Property Lease applicable to the Business;
- (h) any Contract for the license of music rights applicable to the Business;
- (i) any national sales representation agreement material to the Business; or
- (j) any Contract (other than any Contract of the type described in clauses (a) through (i) above) applicable to the Business that is not terminable by one of the Sellers or its Affiliate (or their assignees) without penalty on ninety (90) days' notice or less and that is reasonably expected to involve the payment by the Business after the date hereof of more than \$25,000 during any twelve (12) month period or over the remaining term of such Contract.

Without limiting the obligation of the Sellers under Section 5.4(b)(i), the Sellers, by written notice to the Buyer, may update Schedule 3.14 any time before the Closing to (i) add any Contract, subject to Buyer's consent (which consent shall not be unreasonably withheld, delayed or conditioned), entered into by the Sellers after the date of this Agreement and before the Closing, that would have qualified as a Station Agreement if it had been in effect on the date of this Agreement, (ii) subject to the Buyer's consent with respect to any Station Agreement that would have been required to be listed on Schedule 3.14 at signing, add any Contract entered into by the Sellers before the date of this Agreement that was omitted from the original Schedule

3.14, and (iii) remove any Station Agreement that after the date of this Agreement and before the Closing has expired or been terminated in compliance with the terms of this Agreement. All such Contracts that are so added to Schedule 3.14 in accordance with this paragraph shall, for all purposes of this Agreement, be deemed to be Station Agreements and included in the Purchased Assets and all Station Agreements that are so removed from Schedule 3.14 in accordance with the terms and conditions of this Agreement, shall, for all purposes of this Agreement, thereafter be deemed to be Excluded Assets, shall cease to be Station Agreements and shall no longer be included in the Purchased Assets.

**Section 3.15. Status of Contracts.** Except as set forth in Schedule 3.15, with respect to each Assigned Contract (a) such Assigned Contract constitutes a valid and binding obligation of one of the Sellers, and, to the Knowledge of the Sellers, the other parties thereto, and is in full force and effect (in each case, subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)), (b) (i) neither Seller is in breach of, or default under, such Assigned Contract and, to the Knowledge of the Sellers, no other party to such Assigned Contract is in breach of, or default under, such Assigned Contract, and (ii) to the Knowledge of the Sellers, no event has occurred which would result in a breach of, or default under, such Assigned Contract (in each case, with or without notice or lapse of time or both) and (c) copies of such Assigned Contract, together with all material amendments thereto, have heretofore been made available to the Buyer by the Sellers.

**Section 3.16. No Violation, Litigation or Regulatory Action.** Except as set forth in Schedule 3.16:

(a) Each of the Sellers is in compliance in all material respects with all Laws and Orders applicable to the Purchased Assets, the Stations or the Business; and

(b) Since April 1, 2015 and through the date of this Agreement, neither Seller has received any written notice of violation of any applicable Laws relating to the Business; and

(c) As of the date of this Agreement, there are no actions, suits or proceedings by or before any court or Governmental Body that are pending or, to the Knowledge of the Sellers, threatened against the Sellers, in respect of the Purchased Assets, any Station or the Business.

**Section 3.17. Insurance.** Scripps maintains, in respect of the Purchased Assets, the Stations and the Business, policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are in its judgment prudent for the Business. Except as set forth in Schedule 3.17 with respect to the Business, there are no outstanding claims under any insurance policy or default with respect to provisions in any such policy.

**Section 3.18. Employee Plans; ERISA.**

(a) Schedule 3.18 sets forth a list of each Employee Plan in effect as of the date of this Agreement. A true and correct copy of the summary plan description (or other written summary of the material terms) of each such Employee Plan has been made available to the Buyer.

(b) All Employee Plans are in compliance with the provisions of ERISA, the Code and other applicable Laws and the rules and regulations promulgated thereunder to the extent that ERISA, the Code and other applicable Laws and such rules and regulations are intended to apply, except for any noncompliance that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect.

**Section 3.19. Environmental Protection.**

(a) Except as set forth in Schedule 3.19:

(i) As of the date of this Agreement, the Business is in compliance in all material respects with all Environmental Laws;

(ii) The Sellers have obtained, in respect of the Business, all Governmental Permits required under Environmental Laws necessary for its current operation. Each of the Sellers is in compliance in all material respects with all material terms and conditions of such Governmental Permits;

(iii) As of the date of this Agreement, neither Seller, with respect to the Business, is the subject of any pending or, to the Knowledge of the Sellers, threatened action, claim, complaint, investigation or notice of noncompliance or potential responsibility or other proceedings alleging any failure of the Business to comply with, or Liability of the Business under, any Environmental Law; and

(iv) Since April 1, 2015, there has been no Release of Hazardous Materials at, under, about or from any Owned Real Property.

(b) The representations and warranties contained in this Section 3.19 are the sole and exclusive representations and warranties relating to Environmental Law or Hazardous Materials.

**Section 3.20. No Finder.** The Sellers shall pay any fee or commission owed to Kalil in connection with the transactions contemplated by this Agreement other than any fee or commission owed to Kalil in connection with the KQTH-FM Transaction or the KTGTV-FM Transaction. Except for Kalil, no broker, finder or intermediary is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Agreement based on arrangements made by or on behalf of Sellers.

**ARTICLE IV**

**REPRESENTATIONS AND WARRANTIES OF THE BUYER**

As an inducement to the Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, each of the Buyer and the Buyer Guarantor represents and warrants to the Sellers as follows.

**Section 4.1. Organization.** Each of the Buyer and the Buyer Guarantor is organized, validly existing and in good standing under the laws of the state of its organization. Each of the Buyer and the Buyer Guarantor has the requisite organizational power and authority to own, lease and operate the properties and assets used in connection with its business as currently being conducted or to be acquired pursuant hereto.

**Section 4.2. Authority of the Buyer.**

(a) Each of the Buyer and the Buyer Guarantor has the requisite organizational power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by the Buyer or the Buyer Guarantor, as applicable, pursuant hereto, to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

(b) The execution, delivery and performance of this Agreement and the Ancillary Agreements by each of the Buyer and the Buyer Guarantor have been duly authorized and approved by all necessary organizational action on the part of the Buyer, the Buyer Guarantor and their Affiliates and do not require any further authorization or consent on the part of the Buyer, the Buyer Guarantor or any of their Affiliates. This Agreement is, and the Ancillary Agreement when executed and delivered by the Buyer, the Buyer Guarantor or any of their Affiliates and the other parties thereto will be, a legal, valid and binding agreement of the Buyer, the Buyer Guarantor or such Affiliates party thereto, enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Except for the FCC Consent, none of the execution, delivery and performance by the Buyer or the Buyer Guarantor of this Agreement, or by each of the Buyer, the Buyer Guarantor or any of their Affiliates, as applicable, of the Ancillary Agreements to which it is a party, the consummation by the Buyer, the Buyer Guarantor or their Affiliates, as applicable, of the transactions contemplated hereby or thereby or compliance by the Buyer, the Buyer Guarantor or their Affiliates, as applicable, with or fulfillment by the Buyer, the Buyer Guarantor or their Affiliates, as applicable, of the terms, conditions and provisions hereof or thereof will:

(i) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Encumbrance upon any assets of the Buyer under, (A) the certificate of incorporation, bylaws or other organizational documents of the Buyer or the Buyer Guarantor, or (B) any material

indenture, note, mortgage, lease, guaranty or material agreement, or any judgment, order, award or decree, to which the Buyer, the Buyer Guarantor or any of their Affiliates is a party; or

(ii) require the approval, consent, authorization or act of, or the making by the Buyer, the Buyer Guarantor or any of their Affiliates of any declaration, filing or registration with, any third party or Governmental Authority.

**Section 4.3. Litigation.** None of the Buyer, the Buyer Guarantor or any of their Affiliates is a party to any action, suit or proceeding pending or, to the Knowledge of the Buyer, threatened which, if adversely determined, would reasonably be expected to restrict the ability of the Buyer to consummate promptly the transactions contemplated by this Agreement. There is no order to which the Buyer, the Buyer Guarantor or any of their Affiliates is subject, which would reasonably be expected to restrict the ability of the Buyer or the Buyer Guarantor to consummate promptly the transactions contemplated by this Agreement.

**Section 4.4. No Finder.** The Buyer shall pay any fee or commission owed to Kalil in connection with the KQTH-FM Transaction and/or the KTGTV-FM Transaction. Except for Kalil in connection with the KQTH-FM Transaction and the KTGTV-FM Transaction, none of the Buyer, the Buyer Guarantor or any of their Affiliates, or any party acting on any of their behalf, has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement.

**Section 4.5. Qualifications as FCC Licensee.**

(a) Subject to consummation of the KQTH-FM Transaction and the KTGTV-FM Transaction or, in the event of a Required Divestiture, the transfer of applicable Stations to the Divestiture Trust with the FCC's approval, (i) Buyer is legally, financially and otherwise qualified to be the licensee of, and to acquire, own, operate and control, the Stations under the Communications Act, including the provisions relating to media ownership and attribution, foreign ownership and control, and character qualifications, (ii) to the Knowledge of the Buyer, there are no facts or circumstances that would, under the Communications Act or any other applicable Laws, (A) disqualify Buyer as the assignee of the Arizona FCC Authorizations with respect to the Stations or as the owner and operator of the Stations, (B) delay the FCC's processing of the FCC Applications, or (C) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent, and (iii) no waiver of or exemption from, whether temporary or permanent, any provision of the Communications Act, or any divestiture or other disposition by the Buyer or any of its Affiliates of any asset or property, is necessary for the FCC Consent to be obtained under the Communications Act.

(b) To the Knowledge of Buyer, (i) (A) the KQTH-FM Purchaser's representations in the KQTH-FM Agreement that it is legally, financially and otherwise qualified to be the licensee of, and to acquire, own, operate and control, the KQTH-FM Station under the Communications Act, including the provisions relating to media ownership and attribution, foreign ownership and control, and character qualifications, are true and correct and (B) the KTGTV-FM Purchaser's representations in the KTGTV-FM Agreement that it is legally, financially and otherwise qualified to be the licensee of, and to acquire, own, operate and control, the KTGTV-FM Station under the Communications Act, including the provisions relating to media ownership and attribution,

foreign ownership and control, and character qualifications, are true and correct, (ii) there are no facts or circumstances that would, under the Communications Act or any other applicable Laws, (A) disqualify the KQTH-FM Purchaser as the assignee of the KQTH-FM FCC Authorizations with respect to the KQTH-FM Station or as the owner and operator of the KQTH-FM Station, (B) disqualify the KTGTV-FM Purchaser as the assignee of the KTGTV-FM FCC Authorizations with respect to the KTGTV-FM Station or as the owner and operator of the KTGTV-FM Station, (C) delay the FCC's processing of the KQTH-FM Transaction FCC Application or the KTGTV-FM Transaction FCC Application, or (D) cause the FCC to impose a material condition or conditions on its granting of the KQTH-FM Transaction FCC Consent or the KTGTV-FM Transaction FCC Consent.

(c) The KQTH-FM Agreement has been (or will be on or around the date hereof) duly executed and delivered by the Buyer and the KQTH-FM Purchaser and the Buyer has (or will on or around the date hereof) provide Sellers with a true and complete copy of the fully executed KQTH-FM Agreement. The KTGTV-FM Agreement has been (or will be on or around the date hereof) duly executed and delivered by the Buyer and the KTGTV-FM Purchaser and the Buyer has (or will on or around the date hereof) provide Sellers with a true and complete copy of the fully executed KTGTV-FM Agreement. Each of the KQTH-FM Agreement and the KTGTV-FM Agreement is, or will be, a legal, valid and binding agreement of the Buyer and, to the Knowledge of the Buyer, the KQTH-FM Purchaser or the KTGTV-FM Purchaser, as applicable, enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**Section 4.6. Financial Capacity; Solvency.** Buyer has, as of the date of this Agreement, and will have as of the Closing Date, on hand (or accessible through committed credit facilities or Buyer Guarantor), adequate funds to perform all of its obligations under this Agreement (including payment of the Purchase Price and all fees and expenses required to be paid by the Buyer in connection with the transactions contemplated by this Agreement), and there is no restriction or condition on the use of such funds for such purposes or fact or circumstance that, individually or in the aggregate with all other facts and circumstances, could reasonably be expected to prevent or delay the availability of such funds at the Closing. Each of the Buyer and the Buyer Guarantor is Solvent as of the date of this Agreement and will, immediately after giving effect to all of the transactions contemplated by this Agreement, including payment of the Purchase Price and all other amounts required to be paid, borrowed or refinanced in connection with the consummation of the transactions contemplated by this Agreement and all related fees and expenses, be Solvent at and after the Closing Date.

## ARTICLE V

### ACTION PRIOR TO THE CLOSING DATE

The respective parties hereto covenant and agree to take the following actions between the date hereof and the Closing Date.

**Section 5.1. Access to the Business.** Upon the written request of the Buyer, the Sellers shall afford to the officers and authorized representatives of the Buyer (including independent public accountants, attorneys and consultants) and, to the limited extent necessary to inspect the Purchased Assets that each intends to acquire, the Divestiture Purchasers, reasonable access during normal business hours, and upon reasonable prior notice, to the offices, properties, employees and business and financial records of the Business to the extent related to the Stations or the Purchased Assets, including the right to inspect such properties and make copies of such business and financial records, and shall furnish to the Buyer or its authorized representatives such additional information concerning the Business as shall be reasonably requested to the extent related to the Stations or the Purchased Assets; provided, however, that the Sellers shall not be required to violate any obligation of confidentiality or other obligation under applicable Law to which either Seller is subject, in discharging its obligations pursuant to this Section 5.1. The Buyer agrees that any such access shall be conducted in such a manner as not to interfere unreasonably with the operations of the Business or the Sellers. Notwithstanding the foregoing, the Sellers shall not be required to (i) take any action that would constitute a waiver of attorney-client or other privilege or would compromise the confidential information of the Sellers not related to the Business, (ii) supply the Buyer with any information that, in the reasonable judgment of the Sellers, the Sellers are under a contractual or legal obligation not to supply, or (iii) permit the Buyer or any of its Affiliates to conduct any sampling of soil, sediment, groundwater, surface water or building material except to the extent permitted pursuant to Section 5.7. Any information disclosed to the Buyer by the Sellers under this Section 5.1 shall be held in accordance with the Non-Disclosure Agreement, dated January 25, 2018 (the “Confidentiality Agreement”), by and between The E.W. Scripps Company and the Buyer Guarantor, or, with respect to the Divestiture Purchasers, on terms substantively equivalent to which each Divestiture Purchaser must agree as a condition to Sellers’ providing any access or information to such Divestiture Purchaser under this Section 5.1.

**Section 5.2. Notification of Certain Matters.**

(a) The Buyer or the Buyer Guarantor, on the one hand, and the Sellers, on the other hand, shall promptly notify the other if any of such Person’s Designated Officers becomes aware of any material breach of any representation or warranty contained in this Agreement including, in the case of the Buyer or the Buyer Guarantor, of any of Buyer Designated Officers becoming aware of such a breach as a result of the access to the Business permitted by Section 5.1; provided, however, that no investigation by Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Sellers in this Agreement.

(b) Each party shall promptly notify the other of any action, suit or proceeding that shall be instituted or threatened against such party to restrain, prohibit or otherwise challenge the legality of any transaction contemplated by this Agreement. The Sellers shall promptly notify the Buyer and the Buyer Guarantor, and the Buyer and the Buyer Guarantor shall promptly notify the Sellers, of any lawsuit, claim, proceeding or investigation that may be threatened, brought, asserted or commenced against the other that would have been listed in Schedule 3.16 or would be an exception to Section 4.3 if such lawsuit, claim, proceeding or investigation had arisen prior to the date hereof.

### **Section 5.3. FCC Consent; Other Consents and Approvals.**

(a) As promptly as practicable after the date hereof, but in any event no later than ten (10) Business Days hereafter, the Buyer and its Affiliates, as applicable, shall file, and the Sellers and their Affiliates, as applicable, shall file, with the FCC the necessary applications requesting its consent to the Assignment of the Seller FCC Authorizations to the Buyer, as contemplated by this Agreement (the “FCC Applications”). The Sellers and the Buyer shall cooperate in the preparation of such applications and will diligently take, or cooperate in the taking of, all necessary, desirable and proper steps, to provide any additional information required by the FCC, and shall use commercially reasonable efforts to obtain promptly the FCC Consent. The Sellers, on the one hand, and the Buyer, on the other hand, shall bear the cost of FCC filing fees relating to the FCC Applications equally. The Buyer and the Sellers shall oppose any petitions to deny or other objections filed with respect to the FCC Applications to the extent such petition or objection relates to any such party. Neither the Sellers nor the Buyer shall, and each shall cause their Affiliates not to, take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of, preventing or materially delaying the receipt of the FCC Consent. The parties agree that they will cooperate to amend the FCC Applications as may be reasonably necessary or required to obtain the timely grant of the FCC Consent. If the Closing Date shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party hereto shall have terminated this Agreement pursuant to Section 10, Sellers and the Buyer shall jointly request extensions of the effective period of the FCC Consent until the Closing Date occurs or this Agreement is otherwise terminated; provided, however, no such extension of the FCC Consent shall limit the right of either party hereto to exercise such party’s rights under Section 10.

(b) Subject to the terms and conditions herein, the Sellers and the Buyer shall use their respective commercially reasonable efforts to consummate and make effective the transactions contemplated hereby and to cause the conditions set forth in Article VII and Article VIII to be satisfied as promptly as reasonably practicable after the date hereof, including (i) the obtaining of all necessary consents, approvals, waivers and authorizations of, actions or non-actions by, and making of all required filings and submissions with, any Governmental Body required in connection with the transactions contemplated by this Agreement, (ii) cooperating with each other in (A) determining which filings are required to be made prior to the Closing with, and which consents, approvals, permits, notices or authorizations are required to be obtained prior to Closing from, Governmental Bodies in connection with the execution and delivery of this Agreement and related agreements, and consummation of the transactions contemplated hereby and thereby and (B) timely making all necessary filings and timely seeking all consents, approvals, permits, notices or authorizations, and (iii) taking or causing to be taken, all other commercially reasonable actions and doing, or causing to be done, and cooperating with each other in order to do, all other commercially reasonable things necessary or appropriate to consummate the transactions contemplated hereby as soon as practicable. The Buyer and the Sellers agree not to, and each shall cause their Affiliates not to, take any action that would reasonably be expected to materially delay, materially impede or prevent receipt of the Governmental Consents.

(c) The Sellers shall, and shall cause their Affiliates to, use commercially reasonable efforts, and the Buyer shall, and shall cause its Affiliates to, reasonably cooperate with the Sellers and their Affiliates, at Sellers' expenses, to obtain all consents and amendments from the parties to the Assigned Contracts that are required by the terms thereof for the consummation of the transactions contemplated by this Agreement; provided, however, that neither the Sellers, the Buyer, nor their Affiliates shall have any obligation to offer or pay any consideration in order to obtain any such consents or amendments, including, with respect to the Sellers, any obligation to amend, modify or otherwise alter the terms of any Contract with any such party that is not included in the Purchased Assets or, insofar as any Multi-Station Contract relates to Seller Television Stations or radio stations owned by the Sellers other than the Stations, the terms thereof relating to Seller Television Stations or such other radio stations; and provided, further, that the parties acknowledge and agree that such third party consents (and any other third party consents required by the terms of any Contract included in the Purchased Assets) other than the Required Consents are not conditions to Closing.

**Section 5.4. Operations of the Stations Prior to the Closing Date.**

(a) From the date hereof until the Closing Date, except as approved by the Buyer in writing (which approval shall not be unreasonably withheld, delayed or conditioned), the Sellers (x) shall operate and carry on the Business in all material respects in the ordinary course of the Business, and to the extent consistent therewith (i) continue to promote and conduct advertising on behalf of the Stations at levels substantially consistent with past practice, (ii) keep and maintain the Purchased Assets in good operating condition and repair (wear and tear in ordinary usage excepted), (iii) maintain the business organization of each Station intact, and (iv) preserve the goodwill of the suppliers, contractors, licensors, employees, customers, distributors and others having business relations with the Business.

(b) Notwithstanding Section 5.4(a) and subject to Section 6.3 regarding control of the Stations, except (w) as expressly contemplated by this Agreement, (x) as set forth in Schedule 5.4(b), (y) as required by applicable Laws or by any Governmental Body of competent jurisdiction, or (z) with the prior written consent of the Buyer (which consent shall not be unreasonably withheld, delayed or conditioned), each of the Sellers shall not, and shall cause each of its Affiliates not to, in respect of the Stations:

(i) enter into any Contract (other than renewing or replacing any Contract related to the Business in existence as of the date of this Agreement if the renewal or replacement is made in the ordinary course of business on substantially the same terms as the then-expiring terms) that would be binding on the Buyer after the Closing Date, and that would cause payment obligations of the Buyer under all such Contracts entered into on or after the date hereof to exceed \$25,000 in total over the lives of all such Contracts following the Closing Date;

(ii) make or authorize any new capital expenditures exceeding \$25,000, in the aggregate, with respect to all Stations, in any twelve-month period;

(iii) sell, lease (as lessor), transfer or otherwise dispose of or mortgage or pledge, or impose or suffer to be imposed any Encumbrance on, any material Purchased Asset,

other than the sale, lease (as lessor), transfer or other disposal of property in the ordinary course of the Business or pursuant to existing contracts or commitments, and other than Permitted Encumbrances;

(iv) fail to use all commercially reasonable efforts to maintain in full force and effect in accordance with their respective terms and conditions, any of the Seller FCC Authorizations, or to not take or fail to 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 adverse modification of any of the Seller FCC Authorizations in any material respect;

(v) enter into any new, or materially modify the terms of any existing, Employment Agreement with any Employee;

(vi) in respect of the Business, materially change any accounting period or change in any material respect its accounting methods (or underlying assumptions), principles or practices affecting its assets, liabilities or business, in each case, in effect on the date hereof, except as required by changes in applicable Law;

(vii) increase the annual cash compensation of the Employees, other than increases in compensation in accordance with normal compensation practices and consistent with past compensation practices, it being agreed that the granting of annual cash incentive bonus awards for periods prior to Closing in the ordinary course shall not constitute an increase in compensation for purposes hereof; or

(viii) agree or commit to do any of the foregoing.

**Section 5.5. Public Announcement.** Neither the Sellers, the Buyer nor any of their Affiliates shall, without the approval of the other, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except as and to the extent that any such party shall be so obligated by Laws or by the rules, regulations or policies of any national securities exchange or association or the FCC. The Buyer acknowledges that the parent of the Sellers is so obligated to announce publicly the transactions contemplated hereby.

**Section 5.6. Multi-Station Contracts.** Schedule 5.6 contains a list as of the date hereof of Contracts used in the Business as to which one or more of the Seller Television Stations or radio stations owned by the Sellers other than the Stations is subject or has rights thereunder (any such contract or agreement, a “Multi-Station Contract”). The rights and obligations that are to be assigned to and assumed by Buyer under the Multi-Station Contracts shall include only those rights and obligations applicable to the Stations under the Multi-Station Contracts that are denoted on Schedule 5.6 with a double asterisk (\*\*) (the “Designated Multi-Station Contracts”) (such rights, the “Applicable Multi-Station Contract Rights” and such obligations, the “Applicable Multi-Station Contract Obligations”); *provided, however*, that, (a) prior to the Closing, the parties shall use commercially reasonable efforts to effect, at Closing, new Contracts between the Buyer and the respective counterparties under the Designated Multi-Station Contracts, substantially similar to the forms of such Designated Multi-Station Contracts

(the “Multi-Station Replacement Contracts”), under which, after the Closing, Buyer will receive the benefits provided under the relevant Designated Multi-Station Contract prior to the Closing in respect of the relevant Station and Buyer will be responsible for the obligations and liabilities associated therewith and (b) none of the Applicable Multi-Station Contract Rights or Applicable Multi-Station Liabilities shall be assigned to or assumed by Buyer at Closing under any Designated Multi-Station Contract with respect to which a Multi-Station Replacement Contract has been entered into effective at Closing. For purposes of determining the scope of the rights and obligations under the Designated Multi-Station Contracts with respect to which Multi-Station Replacement Contracts have not been entered into effective at Closing, the rights and obligations under each Designated Multi-Station Contract shall be equitably allocated among (1) the Stations, on the one hand, and (2) the Seller Television Stations or radio stations other than the Stations, on the other hand, in accordance with the following equitable allocation principles:

(a) any allocation set forth in the Designated Multi-Station Contract shall control; and

(b) if there is no allocation in the Designated Multi-Station Contract as described in clause (a) hereof, then the reasonable accommodation determined by mutual good faith agreement of the Sellers and the Buyer shall control.

Subject to Section 2.8, the Applicable Multi-Station Contract Rights and Applicable Multi-Station Liabilities under the Designated Multi-Station Contracts with respect to which Multi-Station Replacement Contracts have not been entered into effective at Closing shall constitute Arizona Contracts and Assumed Liabilities hereunder.

#### **Section 5.7. Real Property Matters.**

(a) From the date hereof until the Closing Date, the Sellers shall allow the Buyer, and the Buyer’s agents, free and full access to the Owned Real Property without charge during normal business hours and upon reasonable prior written request for the purpose of investigating the same; provided, however, that (i) Sellers shall have the right to accompany the Buyer and its agents while they are accessing the Owned Real Property; and (ii) such access by the Buyer or the Buyer’s agents shall not interfere with Sellers’ business being conducted on the Owned Real Property. The Buyer shall, in connection with its investigations of the Owned Real Property contemplated hereunder, promptly restore the Owned Real Property to its condition existing immediately prior to such investigations, and such obligation to restore shall survive the termination of this Agreement. The parties acknowledge and agree that the right of access granted in this Section 5.7(a) includes environmental testing and investigation to the extent permitted pursuant to Section 5.7(d) and subject to the terms and conditions set forth in this Section 5.7(a) and in Section 5.7(d). In connection with the Buyer’s exercise of the rights granted in this Section 5.7(a), the Buyer and the Buyer’s agents shall comply with all applicable Laws, and shall obtain all required permits prior to commencing any such investigations on the Owned Real Property. The Buyer shall carry, and shall cause its subcontractors to maintain, commercial general liability insurance that, together with any umbrella insurance policy maintained by Buyer or its subcontractors, provides minimum coverage of \$2,000,000 per occurrence, with contractual liability endorsements covering the indemnity set forth below, and shall provide, prior to the commencement of any access, evidence of such insurance to the Sellers. The Buyer hereby agrees to protect, defend, indemnify and hold harmless the Sellers

against any loss, liability, damage, cost or expense, including reasonable attorneys' fees, incurred by the Sellers as a result of the exercise by the Buyer or the Buyer's agents of the right of access and investigation granted under this Section 5.7. The Buyer acknowledges and agrees that any such access and investigations conducted by the Buyer or the Buyer's agents shall be solely at the risk of the Buyer and shall be at the Buyer's sole cost and expense. The Buyer shall not disclose information obtained or generated as a result of the activities permitted under this Section 5.7 to third parties, other than as required by Law, or other than to the Buyer's attorneys, consultants or accountants, without the Sellers' advance written permission (not to be unreasonably withheld). All of the obligations of the Buyer under this Section 5.7(a) shall survive the Closing or the termination of this Agreement, as the case may be.

(b) Sellers and the Buyer agree to the following allocation of costs and expenses regarding the Owned Real Property:

(i) The Buyer will pay all costs of obtaining the Title Evidence. The Buyer will pay all premiums required for the issuance of any policy of title insurance and the endorsements requested by the Buyer or its lenders. Sellers and the Buyer shall each pay for one-half (1/2) of the closing fee or charge imposed by any closing agent.

(ii) Sellers will pay the state transfer taxes and conveyance fees incurred as the result of the filing of the warranty deeds to be delivered by Sellers.

(iii) All real estate taxes and assessments which have become a lien on the Owned Real Property or which are due and payable prior to the year in which the Closing Date occurs shall be paid by Sellers at or prior to the Closing. All real estate taxes and assessments which are due and payable in the year in which the Closing Date occurs shall be prorated to the Closing Date in accordance with Section 2.6 hereof and the Buyer shall receive a credit for Sellers' portion at Closing. All charges for improvements or services already made to or which benefit the Owned Real Property, which are due and payable at or prior to the Closing, shall be paid by Sellers on or prior to Closing.

(iv) Sellers shall pay the cost of recording all documents necessary to release any Encumbrances (other than the Permitted Encumbrances) and the cost of recording the warranty deeds and the Buyer shall pay the cost of recording all other documents.

(v) The Buyer shall pay for all costs of environmental reports obtained in connection with this Agreement.

(c) The Buyer shall, in the case of clause (i) below, and may, in the case of clauses (ii) and (iii) below, obtain the following (collectively, the "Title Evidence") with respect to the Owned Real Property prior to Closing:

(i) A commitment (the "Commitment") for an owner's policy of title insurance acceptable to the Buyer issued by a title insurance selected by Buyer (the "Title Company") insuring title to the Owned Real Property.

(ii) Any surveys of the Owned Real Property prepared by a licensed surveyor (a “Survey”).

(iii) A report of UCC searches made of the Uniform Commercial Code records of the Secretaries of State of the states in which the Owned Real Property is located and in which each of the Sellers are domesticated.

(d) The parties acknowledge and agree that, within forty-five (45) days from the date hereof (the “Phase I Time Period”), the Buyer shall have the right, at its sole option and cost, to engage a recognized environmental engineering firm experienced in conducting environmental investigations of the type described in this Section 5.7(d) (the “Environmental Consultant”) to conduct one or more standard Phase I Environmental Site Assessments, as defined by the ASTM (a “Phase I ESA”), of the Owned Real Property and prepare a report thereof (a “Phase I Report”).

(i) If any Phase I Report details a Recognized Environmental Condition, as such term is defined in the ASTM Standard for Phase I Environmental Site Assessments (a “Recognized Environmental Condition”), in respect of the Owned Real Property, the Environmental Consultant recommends in the Phase I Report a subsurface investigation of the Recognized Environmental Condition in a “Phase II” environmental site assessment in accordance with ASTM regulations (a “Phase II ESA”), the Buyer delivers to the Sellers a complete and accurate copy of the Phase I Report and the Buyer requests, in writing to the Sellers within 20 days after the expiration of the Phase I Time Period, that such Phase II ESA be conducted (a “Phase II Request”), then the Sellers shall have the right, by written notice to the Buyer within 15 days after Sellers’ receipt of the Phase II Request (the “Phase II Election Notice”), to: (A) terminate this Agreement if the Phase I Report identifies a Recognized Environmental Condition that, in the reasonable opinion of the Sellers after consultation with their legal counsel or environmental consultant, is reasonably likely to require clean up, removal, remedial, corrective or responsive action by the Sellers at a cost in excess of \$100,000, unless Buyer, by written notice to Sellers within five (5) Business Days after the Buyer’s receipt of the Phase II Election Notice, withdraws its Phase II Request and agrees that Sellers shall have no liability to the Buyer, and the Buyer shall accept the Owned Real Property AS IS, with respect to any Recognized Environmental Condition addressed in the Phase I Report; (B) propose an alternative method (the “Alternative Method”) for handling the risk of the Recognized Environmental Condition; or (C) agree to the Phase II Request (a “Phase II Consent”).

(ii) In the event the Sellers propose the Alternative Method and (A) within 20 days after the Buyer receives the Phase II Election Notice the Buyer does not agree to the Alternative Method specified in the Phase II Election Notice and (B) the Sellers do not deliver the Phase II Consent within five (5) Business Days after the expiration of such 20-day period, then either party may terminate this Agreement upon ten days’ notice to the other parties.

(iii) If Sellers provide the Buyer with a Phase II Consent, the Buyer, within 15 days after the Buyer’s receipt of the Phase II Consent, will deliver to the Sellers a copy of the proposed work plan for the Phase II ESA, and the parties shall use their respective good faith efforts to reach an agreement in writing with respect to the scope of such Phase II ESA. If the parties cannot reach such an agreement within 20 days after the Sellers’ receipt of the Buyer’s

proposed work plan, then either party may terminate this Agreement by written notice to the others.

(iv) If the parties reach an agreement with respect to the scope of such Phase II ESA (such as agreed upon scope of the Phase II ESA, the “Phase II Inspection”), the Buyer shall have the right, within 30 days following the date of such agreement (the “Phase II Time Period”), to conduct, at the Buyer’s sole cost and expense, the Phase II Inspection. The Environmental Consultant shall perform the Phase II Inspection (A) in accordance with generally accepted standards and practices of the industry of environmental site assessment and remediation and (B) in compliance with all applicable Laws. All individuals accessing the Owned Real Property in connection with the Phase II Inspection shall be properly licensed to perform the activities to the extent required by Law.

(v) Promptly upon its receipt thereof, the Buyer shall deliver to the Sellers a copy of the Environmental Consultant’s report generated in connection with the Phase II Inspection (the “Phase II Report”), which shall include, if applicable, an estimate of the cost and expense of further investigation, clean up, removal, remedial, corrective or responsive action necessary to address the Recognized Environmental Condition (the “Environmental Work”), which estimate shall set forth in reasonable detail the basis for the estimate; *provided, however*, no Environmental Work shall be recommended for a Recognized Environmental Condition of the type described in clause (B) of the next sentence of this Section 5.7(d)(v). The Sellers shall have no liability to the Buyer, and the Buyer shall accept the Owned Real Property AS IS, with respect to any Recognized Environmental Condition addressed in the Phase II Report which (A) the Phase II Report does not recommend that any further investigation, clean up, removal, remedial, corrective or response action is necessary to address such Recognized Environmental Condition or (B) the Phase II Report indicates that such Recognized Environmental Condition is contamination that is below acceptable regulatory standards for current commercial land use.

(vi) If the Phase II Report recommends Environmental Work, then (A) the Sellers, by written notice to the Buyer within ten (10) Business Days after Sellers’ receipt of the Phase II Report, may elect to cause such Environmental Work to be performed prior to the Closing or terminate this Agreement or (B) the Buyer, if Sellers do not make a timely election pursuant to the preceding clause (A), may elect to terminate this Agreement by written notice to the Sellers within 10 Business Days after the expiration of such ten (10) Business Day period. In the event that Sellers do not elect to cause such Environmental Work to be performed and neither the Sellers nor the Buyer elect to terminate this Agreement pursuant to clause (A) or clause (B) of this Section 5.7(d)(vi) and the Closing occurs, then the Sellers shall have no liability to the Buyer, and the Buyer shall accept the Owned Real Property AS IS, with respect to any Recognized Environmental Condition addressed in the Phase II Report.

(vii) The Buyer and its agents shall exercise due care to prevent damage or injury to persons or property in the course of any Phase I ESA or Phase II Inspection. Any damage caused by the Buyer or its agents in the course of any Phase I ESA or any Phase II Inspection shall be promptly repaired by the Buyer, at its sole cost and expense. The Buyer shall be solely responsible for properly disposing of any drilling, soils or other material generated or removed from the Owned Real Property in connection with any Phase II Inspection, including all

costs related thereto. This Section 5.7(d)(vii) shall survive the Closing or termination of this Agreement.

(e) If, between the date of this Agreement and the Closing, any of the Owned Real Property shall be destroyed or damaged in whole or in part by fire, earthquake, flood, or other casualty and such Casualty Loss materially and adversely affects the use of the Owned Real Property for the operation of the Stations as currently operated (a “Casualty Loss”), Sellers shall notify the Buyer of such Casualty Loss as soon as practicable after discovery of such Casualty Loss. Sellers shall have thirty (30) days to restore or repair such Owned Real Property affected by such Casualty Loss, or if such restoration or repair cannot be reasonably completed within such thirty (30) day period, Sellers shall have a reasonable period of time to complete such restoration or repair provided that Sellers commence such restoration or repair within the initial thirty (30) day period and such restoration is completed by the Termination Date. If Sellers are unable restore or repair such Owned Real Property prior to the Closing, Buyer shall have the option, exercisable prior to Closing by providing Sellers written notice at least ten (10) days prior to Closing or as soon as practical after Sellers’ notice if received within such ten (10) day period, to terminate this Agreement. If the Buyer does not so terminate this Agreement, the Buyer shall acquire such Owned Real Property “as is,” whereupon Sellers will assign to the Buyer Sellers’ interest in and to any insurance policies and proceeds thereof payable as a result of such Casualty Loss less such portion thereof as shall first be reimbursed to Sellers for the costs of any restoration work incurred by Sellers prior to Closing. No loss, cost or damage for which the Buyer is obligated to indemnify the Sellers pursuant to Section 5.7(a) shall constitute a Casualty Loss under this Section 5.7(f).

(f) If, between the date of this Agreement and the Closing, any condemnation proceeding is commenced with respect to the Owned Real Property, Sellers shall notify the Buyer of the condemnation proceeding and this Agreement may be terminated by the Buyer by written notice to Sellers within ten (10) days following receipt of such notice and neither party shall have any further obligation under this Agreement, except as otherwise expressly set forth herein. If the Buyer does not terminate this Agreement, the Buyer shall acquire such Owned Real Property “as is” and the Sellers shall assign to the Buyer at the Closing all of the Seller’s right, title and interest in and to all awards made in respect of such condemnation and shall pay over to the Buyer all amounts theretofore received by the Sellers (net of any reasonable out-of-pocket expenses) in connection with such condemnation.

## ARTICLE VI

### ADDITIONAL AGREEMENTS

#### **Section 6.1. Taxes.**

(a) The Sellers shall prepare and timely file or shall cause to be prepared and timely filed each Tax Return for Prorated Taxes that is due on or before the Closing Date. The Buyer shall pay to the Sellers promptly upon demand at or after the Closing the amount of any Taxes paid by Sellers to the extent constituting an Assumed Liability. The Buyer shall prepare and timely file or shall cause to be prepared and timely filed each Tax Return for Prorated Taxes that

is due after the Closing Date. The Sellers shall pay to the Buyer promptly upon demand the amount of any Taxes shown as due thereon to the extent constituting an Excluded Liability.

(b) In the case of any Prorated Taxes for any Straddle Period, the portion of such Prorated Taxes that are allocable to the portion of such Straddle Period ending on the Closing Date and that constitute an Excluded Liability shall be deemed to equal the amount of such Taxes for the entire Straddle Period multiplied by a fraction the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period, and the remaining portion of such Prorated Taxes shall be allocable to the portion of such Straddle Period beginning after the Closing Date and shall constitute an Assumed Liability.

(c) The Sellers and the Buyer shall (i) provide assistance to each other party as reasonably requested in preparing and filing Tax Returns with respect to the Business and the Purchased Assets; (ii) make available to each other party as reasonably requested all information, records, and documents relating to Taxes concerning the Business or the Purchased Assets; (iii) retain any books and records that could reasonably be expected to be necessary or useful in connection with any preparation by any other party of any Tax Return, or for any audit relating to Taxes with respect to the Business or the Purchased Assets; and (iv) cooperate fully, as and to the extent reasonably requested by any other party, in connection with any audit with respect to Taxes relating to the Business or the Purchased Assets.

(d) Any Transfer Taxes shall be borne by the Sellers. The Buyer, with the Sellers' cooperation, shall be responsible for the preparation, execution and filing of all Tax Returns, questionnaires, applications or other documents regarding any Transfer Taxes.

## **Section 6.2. Employees; Employee Benefit Plans.**

(a) Employment. Schedule 3.12 lists all Employees exclusively assigned to the Stations as of the date hereof. At least three weeks before the Closing Date, the Sellers will deliver to the Buyer an updated list of Employees exclusively assigned to the Stations, and, within seven days after receipt of such list, the Buyer will deliver to the Sellers a list of the names of each Employee (each, an "Offeree Employee") to whom Buyer has offered or will offer employment; provided, however, that the Buyer shall offer employment to such number of Employees so that Buyer and its Affiliates satisfy the Employment Offer Threshold. Each Offeree Employee who becomes an employee of the Buyer (each such Employee, a "Transferred Employee") shall cease to have any employment relationship with the Sellers and become an employee of the Buyer or its designee on the Closing Date (the "Employment Commencement Date"); provided, however, any such Offeree Employee who is on short-term disability leave or family medical leave as of the Closing Date (the "Inactive Employees") shall not become a Transferred Employee on the Closing Date and shall continue their employment relationship with the Sellers until the expiration of such leave; and provided further, that Offeree Employees on intermittent leave shall not be treated as Inactive Employees and shall become Transferred Employees on the Closing Date. The Buyer agrees that Inactive Employees shall become Transferred Employees, and shall be covered by the employee benefit plans and arrangements of the Buyer, upon the date of such individual's return and resumption of work immediately

following the expiration of such leave (and such date shall be deemed the “Employment Commencement Date” hereunder for any such Inactive Employees). Subject to and without limiting the remaining provisions of this Section 6.2(a), the Buyer shall provide the Transferred Employees with the base salary, other compensation (including, as applicable, commission rates and annual bonus opportunities), and benefits to be set forth in the employment offer letters to be provided by the Buyer to the Offeree Employees. The initial terms and conditions of employment for those Transferred Employees who have Employment Agreements with Scripps shall be as set forth in such Employment Agreements, which shall, to the extent permitted under the applicable agreements, be assigned to Buyer and assumed by Buyer.

(b) Service Credit. For purposes of determining eligibility to participate, vesting and benefit accrual (other than benefit accrual under a defined benefit pension plan) under any plan maintained by the Buyer or any of its Affiliates in which Transferred Employees are eligible to participate (including vacation or time off policy of the Buyer or its Affiliates), the Buyer shall, and shall cause its Affiliates to, recognize or cause to be recognized for purposes of eligibility, vesting and benefit accruals each Transferred Employee’s service with Sellers, and with any predecessor employer to the same extent recognized by Sellers, as service with the Buyer or any of its Affiliates to the same extent such service was recognized immediately prior to the Closing Date; provided, however, that (i) such service need not be recognized to the extent such recognition would result in the duplication of benefits for the same period of service, (ii) the parties acknowledge that the Buyer and its Affiliates do not maintain a severance plan and (iii) for the avoidance of doubt, Sellers shall be responsible for satisfying the unpaid, accrued paid time off balances relating to the Transferred Employees as of the Closing Date and the Buyer shall not assume any liability for such unpaid, accrued paid time off balances.

(c) Rollovers. To the extent permitted by the tax-qualified defined contribution plan maintained by the Buyer or any of its Affiliates, the Buyer shall cause such plan to accept rollover contributions from the Transferred Employees of any account balances distributed to them by the existing tax-qualified defined contribution plan established or designated by Scripps (or an Affiliate thereof). The distribution and rollover described herein shall comply with applicable Laws, and the Buyer and Scripps shall, and shall cause their respective Affiliates to, make all filings and take any actions required of each such Person by applicable Laws in connection therewith.

(d) Welfare Plans. Effective on the Closing Date, Transferred Employees shall cease to be covered by the Employee Plans and shall be covered by the employee benefit plans of the Buyer or its Affiliates, except that, for medical, dental, vision, and prescription drug plans and coverages, Transferred Employees shall cease to be covered by such Employee Plans on the last day of the month during which the Closing Date occurs and shall become covered by the applicable employee benefit plans of the Buyer or its Affiliates commencing on the first day of the next succeeding month. Scripps shall retain responsibility for and continue to pay all medical, life insurance, disability and other welfare plan expenses and benefits for each Transferred Employee with respect to claims incurred under the terms of the Employee Plans by such Employees and their covered dependents prior to the Employment Commencement Date. Expenses and benefits with respect to claims incurred by Transferred Employees and their covered dependents on or after the Employment Commencement Date (with regard to Employee Plans other than those providing medical, dental, vision, and prescription drug coverages) shall

be the responsibility of the Buyer and its Affiliates. With regard to Employee Plans providing medical, dental, vision, and prescription drug coverages, expenses and benefits with respect to claims incurred by Transferred Employees and their covered dependents shall be the responsibility of Scripps through the last day of the calendar month in which the Closing Date occurs and shall be the responsibility of the Buyer and its Affiliates thereafter. With respect to any welfare benefit plans maintained by the Buyer or any of its Affiliates in which the Transferred Employees are eligible to participate on or after the Employment Commencement Date, to the extent permitted by Laws and such welfare benefit plans, the Buyer shall, and shall cause its Affiliates to (i) cause there to be waived any eligibility requirements or pre-existing condition limitations and (ii) give effect, in determining any deductible and maximum out-of-pocket limitations, to amounts paid by such Transferred Employees (and their covered dependents) under the Employee Plans.

(e) Flexible Spending Accounts. Effective as of Closing, the Buyer shall allow Transferred Employees to participate in the Buyer's or its Affiliates' existing flexible spending accounts for medical and dependent care expenses.

(f) Payroll Matters.

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

(ii) In the event of a Required Divestiture, the Divestiture Trust will pay and reimburse any Transferred Employees who are employed by the Divestiture Trust pursuant to the Divestiture Trust Agreement.

(g) WARN Act. Sellers shall bear all Liabilities, if any, under the WARN Act resulting from Sellers' termination of its employees as contemplated under this Agreement.

(h) No Third Party Beneficiaries. Without limiting the generality of Section 11.6, nothing in this Section 6.2, express or implied, is intended to confer on any Person (including any Transferred Employees, including Trust Employees, and any current or former employees of Sellers), other than the parties hereto and their respective successors and assigns, any rights, benefits, remedies, obligations or liabilities (including any third-party beneficiary rights) under or by reason of this Section 6.2. Accordingly, notwithstanding anything to the contrary in this Section 6.2, the parties expressly acknowledge and agree that this Agreement is not intended to create a contract between the Buyer, the Sellers, the KQTH-FM Purchaser, the KTGTV-FM Purchaser, the Divestiture Trust, or any of their respective Affiliates, on the one hand, and any employee of Sellers, on the other hand, and no employee of Sellers may rely on this Agreement

as the basis for any breach of contract claim against the Buyer, the Sellers, the KQTH-FM Purchaser, the KTGTV-FM Purchaser, the Divestiture Trust, or any of their respective Affiliates. Nothing in this Section 6.2 shall constitute an amendment to or modification of any Employee Plan or other compensation or benefit plan, program, policy, agreement or arrangement.

**Section 6.3. Control of Operations Prior to Closing Date.** Notwithstanding anything contained herein to the contrary, the sale of the Purchased Assets contemplated hereby shall not be consummated prior to the FCC's grant of the FCC Consent being Final. The Sellers and the Buyer acknowledge and agree that at all times commencing on the date hereof and ending on the Closing Date, (x) nothing in this Agreement, including Section 5.4, shall be construed to give the Buyer any right to control, direct or otherwise supervise, or attempt to control, direct or otherwise supervise, any of the management or operations of any Station, and (y) the Sellers shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Stations.

**Section 6.4. Bulk Transfer Laws.** The Buyer hereby waives compliance by the Sellers with the provisions of any so-called bulk sales or bulk transfer law of any jurisdiction in connection with the sale of the Purchased Assets to the Buyer hereunder ("Bulk Transfer Laws"), it being understood that any Liabilities arising out of the failure of Sellers to comply with Bulk Transfer Laws which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

**Section 6.5. Use of Names.** The Sellers are not conveying ownership rights or granting the Buyer a license to use any of the Retained Names and Marks and, after the Closing, the Buyer shall not and shall not permit any of its Affiliates to use in any manner the Retained Names and Marks or any word that is similar in sound or appearance to such names or marks. In the event the Buyer violates any of its obligations under this Section 6.5, the Sellers may proceed against the Buyer in law or in equity for such damages or other relief as a court may deem appropriate. The Buyer acknowledges that a violation of this Section 6.5 may cause the Sellers irreparable harm, which may not be adequately compensated for by money damages. The Buyer therefore agrees that in the event of any actual or threatened violation of this Section 6.5, the Sellers shall be entitled, in addition to other remedies that it may have, to a temporary restraining order and to preliminary and final injunctive relief against the Buyer or any Affiliate of the Buyer to prevent any violations of this Section 6.5, without the necessity of posting a bond.

**Section 6.6. Sellers' A/R.**

(a) Subject to Section 6.6(b) below, for a period of ninety (90) days after Closing (the "Collection Period"), the Buyer shall, without charge to Sellers or out-of-pocket cost or expense to the Buyer, use commercially reasonable efforts to collect the Sellers' A/R in the ordinary course of business and in the same manner and with the same diligence that the Buyer uses to collect its own accounts receivable and shall apply all amounts collected from the Sellers' account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. The Buyer shall not be obligated to, and without the prior written consent of Sellers will not, affirmatively seek collection of the Sellers' A/R by litigation, collection agency, legal counsel or other extraordinary

methods of collection. Any amounts relating to the Sellers' A/R that are paid directly to Sellers shall be retained by Sellers. The Buyer shall not discount, adjust or otherwise compromise any Sellers' A/R without the prior written consent of Sellers and the Buyer shall promptly refer any disputed Sellers' A/R to Sellers. Within ten calendar days after the end of each month during the Collection Period, the Buyer shall deliver to Sellers a report, prepared in good faith and accompanied by reasonable supporting documentation, showing Sellers' A/R collections for such month and the Buyer shall make a payment, without offset, to Sellers equal to the amount of all such collections. Within 15 calendar days after the end of the Collection Period, the Buyer shall deliver to Sellers a final report, prepared in good faith and accompanied by reasonable supporting documentation, showing Sellers' A/R collections for the Collection Period, and the Buyer shall make a final payment, without offset, to Sellers equal to the amount of all such collections less any interim amounts theretofore remitted to Sellers. The parties shall cooperate in good faith to answer any questions and resolve any issues raised by Sellers in connection with their review of any such report. At the end of the Collection Period, any remaining Sellers' A/R shall be returned to Sellers. Following the expiration of the Collection Period, the Buyer shall have no further obligations pursuant to this Section 6.6, except to remit to Sellers any amounts received by the Buyer that can be identified as a payment on account of any Sellers' A/R, which will be promptly paid over or forwarded to Sellers after such identification. For one year following the Closing, Sellers, at their own expense, shall have the right to access or audit the books, records and operating practices and procedures of the Business, upon reasonable notice to the Buyer and during the normal business hours of the Business, to confirm compliance by the Buyer with the provisions of this Section 6.6, provided, that such access does not unreasonably disrupt the business and operations of the Business.

(b) Notwithstanding anything to the contrary in Section 6.6(a) above, Buyer shall not be obligated to collect any Sellers' A/R associated with Station KQTH-FM or Station KTGv-FM; provided, however, that Buyer, after the Closing, (i) shall use reasonable best efforts to cause (including by enforcing its rights under the KQTH-FM Agreement) the KQTH-FM Purchaser to promptly remit to Sellers any checks, cash, payments, mail or other communications directed to either Seller that relate to the Sellers' A/R that are received by the KQTH-FM Purchaser or any Affiliate thereof after the Closing and (ii) shall use reasonable best efforts to cause (including by enforcing its rights under the KTGv-FM Agreement) the KTGv-FM Purchaser to perform all of the obligations of the Buyer set forth in Section 6.6(a) in respect of the Sellers' A/R associated with Station KTGv-FM.

**Section 6.7. Conversion of Station KQTH-FM.** In connection with the KQTH-FM Transaction and in accordance with Section 73.3517(a) of the FCC's rules, Sellers hereby (a) consent to the filing of an application by KQTH-FM Purchaser to convert Station KQTH-FM to noncommercial status, provided that the application for and grant of which shall be expressly contingent upon the consummation of the transactions contemplated herein and the consummation of the KQTH-FM Transaction and (b) agree to provide a letter to the KQTH-FM Purchaser providing such consent and agree to associate the KQTH-FM Purchaser's FRN with the Station KQTH-FM facility identification number.

**Section 6.8. KTGV-FM Lease.** Sellers agree to use reasonable best efforts to enter into a lease agreement with the KTGv-FM Purchaser for studio space at the Scripps studio facilities for Station KTGv-FM that includes, among other customary terms and provisions

reasonably acceptable to the Sellers and the KTGv-FM Purchaser, including obligations of the KTGv-FM Purchaser to maintain customary insurance coverage, the following terms: (a) the leased space shall consist of one studio with four cubicles for four employees; (b) six month durational term with no renewal right; (c) rent-free; and (d) no operating expenses will be charged to the KTGv-FM Purchaser.

**Section 6.9. Lotus Lease.** Sellers and Buyer agree to use reasonable best efforts to enter into a lease agreement for studio space at the Scripps studio facilities that includes, among other customary terms and provisions reasonably acceptable to the Sellers and the Buyer, including obligations of the Buyer to maintain customary insurance coverage, the following terms: (a) the leased space shall consist of one studio with four cubicles for four employees; (b) six month durational term with no renewal right; (c) rent-free; and (d) no operating expenses will be charged to the Buyer.

## ARTICLE VII

### CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLERS

The obligations of the Sellers under this Agreement to consummate the sale of the Purchased Assets contemplated hereby shall be subject to the satisfaction, fulfillment or, where legally possible, waiver, on or prior to the Closing Date, of the following conditions.

**Section 7.1. No Breach of Covenants and Warranties.** (a) The Buyer shall have performed and complied in all material respects with its covenants and agreements contained herein required to be performed or complied with by it as of or prior to the Closing; and (b) each of the representations and warranties of the Buyer contained in this Agreement shall be true and correct on the Closing Date as though made on the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time), except where the failure of such representations and warranties to be true and correct (without giving effect to any qualifiers or exceptions relating to “materiality” or “Material Adverse Effect” set forth in such representations and warranties), individually or in the aggregate, has not had and would not be reasonably likely to have a material adverse effect on the ability of the Buyer to perform its obligations under this Agreement. In addition, the Buyer shall have delivered to the Sellers a certificate, dated as of the Closing Date, signed by an executive officer of the Buyer and certifying as to the satisfaction of the conditions specified in this Section 7.1.

**Section 7.2. No Restraint.** No legal proceeding shall have been commenced against the Buyer or either Seller before any Governmental Authority that would prevent the Closing, and there shall not be in effect any Order (whether temporary, preliminary or permanent) issued by any Governmental Authority that restrains, prohibits or prevents the consummation of the purchase and sale of the Purchased Assets contemplated hereby.

**Section 7.3. Certain Governmental Approvals.** The FCC Consent shall have been granted and shall be effective.

**Section 7.4. Deliveries.** Buyer shall have made, or stand ready at the Closing to make, the deliveries to the Sellers contemplated by Section 2.7(b).

## ARTICLE VIII

### CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement to consummate the purchase of the Purchased Assets contemplated hereby shall be subject to the satisfaction, fulfillment or, where legally possible, waiver on or prior to the Closing Date, of the following conditions.

**Section 8.1. No Breach of Covenants and Warranties.** (a) The Sellers shall have performed and complied with in all material respects their covenants and agreements contained herein required to be performed or complied with by them as of or prior to the Closing; and (b) (i) the representations and warranties of the Sellers contained in Section 3.8 shall be true and correct in all material respects on the Closing Date as though made on the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time) and (ii) each of the other representations and warranties of the Sellers contained in this Agreement shall be true and correct on the Closing Date as though made on the Closing Date (except to the extent that they expressly speak as of a specific date or time other than the Closing Date, in which case they need only have been true and correct as of such specified date or time), except, in the case of clause (ii) of this sentence, where the failure of such representations and warranties to be true and correct (without giving effect to any qualifiers or exceptions relating to “materiality” or “Material Adverse Effect” set forth in such representations and warranties), would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect. In addition, the Sellers shall have delivered to the Buyer a certificate, dated as of the Closing Date, signed by an executive officer of each of the Sellers and certifying as to the satisfaction of the conditions specified in this Section 8.1.

**Section 8.2. No Restraint.** No legal proceeding shall have been commenced against the Buyer or either Seller before any Governmental Authority that would prevent the Closing, and there shall not be in effect any Order (whether temporary, preliminary or permanent) issued by any Governmental Authority that restrains, prohibits or prevents the consummation of the purchase and sale of the Purchased Assets contemplated hereby.

**Section 8.3. Certain Governmental Approvals.** The FCC Consent shall have been granted and shall have become Final.

**Section 8.4. Required Consents.** The third party consents required for the assignment to Buyer of the Real Property Leases listed on Schedule 8.4 shall have been obtained (the “Required Consents”) and shall include confirmations by the landlord or lessor thereunder to the effect that (i) the Real Property Lease is in full force and effect and (ii) there is no default existing under the Real Property Lease on the part of the applicable Seller that is the tenant or lessee thereunder.

**Section 8.5. Deliveries.** The Sellers shall have made, or stand ready at the Closing to make, the deliveries to the Buyer contemplated by Section 2.7(a). In addition, Buyer shall have received:

(a) a pro forma of a standard 2006 ALTA form of owner's title insurance policy (including Buyer's requested endorsements thereto) from the Title Company to be written effective as of the Closing Date, insuring Buyer's fee simple title to each Owned Real Property, free and clear of all Encumbrances other than Permitted Encumbrances, in an amount reasonably allocated by the parties to such Owned Real Property; and

(b) written evidence, in form reasonably satisfactory to the Buyer, of the release of any Encumbrances on the Purchased Assets other than Permitted Encumbrances.

**Section 8.6. Closing of KQTH-FM Transaction.** Subject to Section 2.4(b), the consummation of the KQTH-FM Transaction shall have occurred simultaneously with the Closing.

**Section 8.7. Closing of KTGv-FM Transaction.** Subject to Section 2.4(c), the consummation of the KTGv-FM Transaction shall have occurred simultaneously with the Closing.

## ARTICLE IX

### INDEMNIFICATION

**Section 9.1. Survival of Representations, Warranties and Covenants.** The representations and warranties of the parties contained in this Agreement shall survive for a period of 18 months after the Closing Date; provided, however, that the representations and warranties of the Sellers contained in Sections 3.1, 3.2(a), 3.2(b), 3.6, 3.9(a) and (b), 3.11 and 3.19 (the "Fundamental Representations"), and of the Buyer contained in Sections 4.1 and 4.2, shall survive until thirty (30) days following the expiration of the applicable statutory period of limitations with respect to any matter therein to which the claim relates; further, provided, that claims for fraud shall not be subject to such limitations or any other limitations contained in this Agreement. Notwithstanding the foregoing, any good-faith claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 9.1 shall survive until such claim is finally resolved. All covenants and other agreements shall survive the Closing until the expiration of the term of the particular undertakings set forth in such covenants and agreements.

**Section 9.2. Indemnification by the Sellers.** The Buyer and its Affiliates, and their respective officers, directors, employees and agents, and all of their respective successors and assigns (each a "Buyer Indemnified Party") shall from and after the Closing be indemnified and held harmless by the Sellers, jointly and severally, from and against any and all Loss and Expense arising out of or resulting from (a) any breach or inaccuracy of any representation or warranty made by the Sellers contained in this Agreement or any Ancillary Agreement; (b) any breach or non-fulfillment of any covenant or other agreement of the Sellers contained in this Agreement or any Ancillary Agreement; (c) any Excluded Asset or Excluded Liability; or (d) the

operation of the Stations or ownership or use of the Purchased Assets on or prior to the Closing Date.

**Section 9.3. Indemnification by the Buyer.** The Sellers and their Affiliates, and their respective officers, directors, employees and agents, and all of their respective successors and assigns (each, a “Sellers’ Indemnified Party”) shall from and after the Closing be indemnified and held harmless by the Buyer from and against any and all Loss and Expense arising out of or resulting from: (a) any breach or inaccuracy of any representation or warranty made by the Buyer contained in this Agreement or any Ancillary Agreement; (b) any breach or non-fulfillment of any covenant or other agreement of the Buyer contained in this Agreement or any Ancillary Agreement; or (c) any of the Assumed Liabilities and, except for Claims in respect of which the Sellers are required to indemnify the Buyer Indemnified Parties pursuant to Section 9.2, the Buyer’s (or any successor’s or assignee’s) operation of the Stations or ownership or use of the Purchased Assets after the Closing Date.

**Section 9.4. Limitations on Indemnification.**

(a) No claim may be asserted nor may any action be commenced against a party hereto for breach of any representation, warranty, covenant or other agreement contained herein, unless written notice of such claim or action, describing the claim or action in reasonable detail (a “Claim Notice”) and (if then known) the amount or the method of computation of the amount of such claim, is received by such party on or prior to the date on which the representation, warranty, covenant or other agreement on which such claim or action is based ceases to survive as set forth in Section 9.1.

(b) Notwithstanding the foregoing or anything else herein to the contrary (except the proviso immediately below), after the Closing, the Sellers shall have no Liability to the Buyer under Section 9.2(a) and the Buyer will have no Liability to the Sellers under Section 9.3(a), unless and until the aggregate amount of the Loss and Expense thereunder exceeds \$25,000 (the “Threshold”), after which the Sellers or Buyer, as the case may be, will be liable jointly and severally, to Buyer or Sellers, as the case may be, for all Loss and Expense in excess of the Threshold; provided, however, that (x) claims for fraud shall not be subject to the Threshold and (y) claims for any Loss or Expense incurred by the Buyer Indemnified Parties arising out of or resulting from the breach or inaccuracy of any of the Fundamental Representations or incurred by the Sellers’ Indemnified Parties arising out of or resulting from the breach or inaccuracy of any of the representations and warranties of the Buyer contained in Section 4.1 or Section 4.2 shall not be subject to the Threshold.

(c) Notwithstanding anything to the contrary, the maximum aggregate liability of the Sellers or Buyer, as the case may be, for all Loss and Expense of the Buyer Indemnified Parties or Sellers’ Indemnified Parties, as the case may be, pursuant to this Article IX, plus any other claims against the Sellers by the Buyer, or against the Buyer by Sellers, arising in connection with the transactions contemplated hereunder (at law or in equity), shall not exceed \$1,600,000 (the “Cap”); provided, however, that (x) claims for fraud shall not be subject to the Cap and (y) claims for any Loss or Expense incurred by the Buyer Indemnified Parties arising out of or resulting from the breach or inaccuracy of any of the Fundamental Representations or incurred

by the Sellers' Indemnified Parties arising out of or resulting from the breach or inaccuracy of any of the representations and warranties of the Buyer contained in Section 4.1 or Section 4.2 shall not be subject to the Cap; *provided, further*, that the maximum aggregate liability of the Sellers or Buyer, as the case may be, for all Loss and Expense of the Buyer Indemnified Parties or Sellers' Indemnified Parties, as the case may be, pursuant to a claim described in the immediately preceding clause (y), plus any other claims against the Sellers by the Buyer or against the Buyer by the Sellers, as the case may be, arising in connection with the transactions contemplated hereunder (at law or in equity, but specifically excluding fraud), shall not exceed the Purchase Price.

**Section 9.5. Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated for Tax purposes only as an adjustment to the Purchase Price.

**Section 9.6. Notice of Claims; Determination of Amount.**

(a) Any party seeking indemnification hereunder (the "Indemnified Party") shall give a Claim Notice promptly to the other party obligated to provide indemnification to such Indemnified Party (the "Indemnitor"). The failure of any Indemnified Party to give the Claim Notice promptly as required by this Section 9.6 shall not affect such Indemnified Party's rights under this Article IX, except to the extent such failure is actually prejudicial to the rights and obligations of the Indemnitor.

(b) In calculating any Loss or Expense there shall be deducted (i) any insurance recovery in respect thereof and (ii) any recovery in respect thereof that is obtained from any third Person that is not an Indemnitor.

(c) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this Article IX shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of Loss and Expense suffered by it.

**Section 9.7. Third Party Claims.**

(a) Notwithstanding anything to the contrary contained in Section 9.6, in order for a party to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand made by any third party against the Indemnified Party, such Indemnified Party must notify the Indemnitor in writing, and in reasonable detail, of the third party claim promptly, but in any event within ten (10) days, after receipt by such Indemnified Party of written notice of the third party claim, which notification must include a copy of the written notice of the third party claim that was received by the Indemnified Party (the "Third Party Claim Notice"). Thereafter, the Indemnified Party shall deliver to the Indemnitor,

promptly, but in any event within five (5) Business Days, after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the third party claim. Notwithstanding the foregoing, should a party be physically served with a complaint with regard to a third party claim, the Indemnified Party must notify the Indemnitor with a copy of the complaint promptly, but in any event within five (5) Business Days, after receipt thereof and shall deliver to the Indemnitor promptly, but in any event within seven (7) Business Days after the receipt of such complaint, copies of notices and documents (including court papers) received by the Indemnified Party relating to the third party claim. The failure of any Indemnified Party to promptly provide a Third Party Claim Notice as required by this Section 9.7 shall not affect such Indemnified Party's rights under this ARTICLE IX, except to the extent such failure is actually prejudicial to the rights and obligations of the Indemnitor.

(b) In the event of the initiation of any legal proceeding against the Indemnified Party by a third party, the Indemnitor shall have the sole and absolute right after the receipt of a Third Party Claim Notice, at its option and at its own expense, to be represented by counsel of its choice and to control, defend against, negotiate, settle or otherwise deal with any proceeding, claim, or demand that relates to any loss, liability or damage indemnified against hereunder; provided, however, that the Indemnified Party may participate in any such proceeding with counsel of its choice and at its expense. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such proceeding, claim or demand. Prior to the time the Indemnified Party is notified by the Indemnitor as to whether the Indemnitor will assume the defense of such proceeding, claim or demand, the Indemnified Party shall take all actions reasonably necessary to timely preserve the collective rights of the parties with respect to such proceeding, claim or demand, including responding timely to legal process. To the extent the Indemnitor elects not to defend such proceeding, claim or demand (or fails to confirm its election) within thirty (30) days after the giving by the Indemnified Party to the Indemnitor of a Third Party Claim Notice, the Indemnified Party may retain counsel, reasonably acceptable to the Indemnitor, at the expense of the Indemnitor, and control the defense of, or otherwise deal with, such proceeding, claim or demand. Regardless of which party assumes the defense of such proceeding, claim or demand, the parties agree to cooperate with one another in connection therewith. Such cooperation shall include providing records and information that are relevant to such proceeding, claim or demand, and making each parties' employees and officers available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and to act as a witness or respond to legal process. Whether or not the Indemnitor assumes the defense of such proceeding, claim or demand, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such proceeding, claim or demand without the Indemnitor's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Indemnitor shall not consent to a settlement of, or the entry of any judgment arising from, any such proceeding, claim or demand without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) unless such settlement or judgment (a) relates solely to monetary damages for which the Indemnitor shall be responsible and (b) includes as an unconditional term thereof the release of the Indemnified Party from all liability with respect to such proceeding, claim or demand, in which event no such consent shall be required. After any final judgment or award shall have been rendered by a court, arbitration board or administrative

agency of competent jurisdiction and the time in which to appeal therefrom has expired, or a settlement shall have been consummated, or the Indemnified Party and the Indemnitor shall arrive at a mutually binding agreement with respect to each separate matter alleged to be indemnified by the Indemnitor hereunder, the Indemnified Party shall forward to the Indemnitor notice of any sums due and owing by it with respect to such matter and the Indemnitor shall pay all of the sums so owing to the Indemnified Party by wire transfer, certified or bank cashier's check within thirty (30) days after the date of such notice.

(c) The party that has assumed the control or defense of any such proceeding, claim or demand made by a third party against the other party shall (a) provide the other party with the right to participate in any meetings or negotiations with any Governmental Body or other third party and reasonable advance notice of any such meetings or negotiations, (b) provide the other party with the right to review in advance and provide comments on any draft or final documents proposed to be submitted to any Governmental Body or other third party, and (c) keep the other party reasonably informed with respect to such proceeding, demand or claim, including providing copies of all documents provided to, or received from, any Governmental Body or any other third party in connection with such proceeding, demand or claim. The Buyer, on the one hand, and the Sellers, on the other hand, covenant and agree to maintain the confidence of all such drafts and comments provided by the other.

(d) To the extent of any inconsistency between this Section 9.7 and Section 6.1(c) with respect to Taxes, the provisions of Section 6.1(c) shall control.

**Section 9.8. No Special Damages; Mitigation.** Notwithstanding anything to the contrary contained in this Agreement, none of the parties hereto shall have any liability under any provision of this Agreement for any punitive, incidental, consequential, special or indirect damages, including loss of future profits, revenue or income, damages based on any multiple of revenue or income, diminution in value or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, regardless of whether such damages were foreseeable, except to the extent such damages are payable to a third party. Each of the parties agrees to take all reasonable steps to mitigate their respective Losses and Expenses upon and after becoming aware of any event or condition that could reasonably be expected to give rise to any Losses and Expenses that are indemnifiable hereunder, including using its commercially reasonable efforts to obtain insurance proceeds or other recoveries from third parties in respect thereof.

**Section 9.9. Remedies.** Each of the parties hereto acknowledges and agrees that following the Closing (a) other than as provided in Section 11.15 (Specific Performance) and claims arising from fraud, (i) the indemnification provisions of this Article IX shall be the sole and exclusive remedies of the parties hereto for any breach of the representations and warranties contained in this Agreement or any Ancillary Agreement and for any failure to perform and comply with any covenant or agreement in this Agreement or any Ancillary Agreement; and (ii) any and all claims arising out of or in connection with the transactions contemplated by this Agreement must be brought under and in accordance with the terms of this Agreement; and (b) notwithstanding anything herein to the contrary, no breach of any representation, warranty,

covenant or agreement contained herein shall give rise to any right on the part of any party hereto to rescind this Agreement or any of the transactions contemplated hereby.

## ARTICLE X

### TERMINATION

#### **Section 10.1. Termination.**

(a) Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated at any time prior to the Closing:

(i) by the mutual written consent of the Sellers and the Buyer;

(ii) by the Sellers, if a breach or failure to perform any of the covenants or agreements of the Buyer contained in this Agreement shall have occurred, or there shall be any inaccuracy of any of the representations or warranties of the Buyer contained in this Agreement, and such breach, failure to perform or inaccuracy either individually or in the aggregate would, if occurring or continuing on the Closing Date, give rise to the failure of a condition set forth in Section 7.1, and such breach, failure to perform or inaccuracy if curable, is not cured by, on or before the earlier of (i) the Termination Date or (ii) 30 days following receipt of written notice by the Buyer, or which by its nature or timing cannot be cured prior to the Termination Date; provided, however, that the Sellers shall not have the right to terminate this Agreement pursuant to this Section 10.1(a)(ii) if the Sellers are then in breach of any of their covenants or agreements contained in this Agreement or any of the representations or warranties of the Sellers contained in this Agreement shall be inaccurate and such breach or inaccuracy would give rise to the failure of a condition set forth in Section 8.1;

(iii) by the Buyer, if a breach or failure to perform any of the covenants or agreements of the Sellers contained in this Agreement shall have occurred, or there shall be any inaccuracy of any of the representations or warranties of the Sellers contained in this Agreement, and such breach, failure to perform or inaccuracy either individually or in the aggregate would, if occurring or continuing on the Closing Date, give rise to the failure of a condition set forth in Section 8.1, and such breach, failure to perform or inaccuracy if curable, is not cured by, on or before the earlier of (i) the Termination Date or (ii) thirty (30) days following receipt of written notice by the Sellers, or which by its nature or timing cannot be cured prior to the Termination Date; provided, however, that the Buyer shall not have the right to terminate this Agreement pursuant to this Section 10.1(a)(iii) if the Buyer is then in breach of any of its covenants or agreements contained in this Agreement or any of the representations or warranties of the Buyer contained in this Agreement shall be inaccurate and such breach or inaccuracy would give rise to the failure of a condition set forth in Section 7.1;

(iv) by the Sellers or the Buyer, if any court of competent jurisdiction shall have issued a final and nonappealable Order permanently enjoining or otherwise prohibiting the consummation of the sale of the Purchased Assets contemplated hereby;

(v) by the Sellers or the Buyer if the Closing shall not have been consummated on or before the 270<sup>th</sup> day following the date of this Agreement (the “Termination Date”). Notwithstanding the foregoing, the right to terminate this Agreement under this Section 10.1(a)(v) shall not be available to any party if the failure of the Closing to occur by such date shall be due to the failure of such party to perform or observe the covenants and agreements of such party set forth in this Agreement.

(b) The party desiring to terminate this Agreement pursuant to Section 10.1(a) (other than pursuant to Section 10.1(a)(i)) shall give written notice of such termination to the other party or parties, as applicable.

(c) In the event that this Agreement shall be terminated pursuant to Section 10.1(a), all further obligations of the parties under this Agreement (other than Section 5.5, this ARTICLE X and ARTICLE XI, and, for the avoidance of doubt, the Confidentiality Agreement, which, in each case, shall remain in full force and effect) shall be terminated without further liability of any party; provided that subject to Section 11.16(a), nothing herein shall relieve any party from liability for any breach of this Agreement before such termination.

**Section 10.2. Withdrawal of Certain Filings.** In the event of termination under the provisions of this ARTICLE X, all filings, applications and other submissions relating to the transactions contemplated by this Agreement as to which termination has occurred shall, to the extent practicable, be withdrawn from the Governmental Body or other Person to which made.

## ARTICLE XI

### GENERAL PROVISIONS

**Section 11.1. Confidential Nature of Information.** Each party agrees that it will treat in confidence all documents, materials and other information which it shall have obtained regarding the other party or parties during the course of the negotiations leading to the consummation of the transactions contemplated hereby (whether obtained before or after the date of this Agreement), the investigation provided for herein and the preparation of this Agreement and other related documents, and, in the event the transactions contemplated hereby shall not be consummated, each party will return to the other party or parties all copies of nonpublic documents and materials that have been furnished in connection therewith. Without limiting the right of either party to pursue all other legal and equitable rights available to it for violation of this Section 11.1 by the other party, it is agreed that other remedies cannot fully compensate the aggrieved party for such a violation of this Section 11.1 and that the aggrieved party shall be entitled to injunctive relief to prevent a violation or continuing violation hereof. In addition, Sellers will hold all information concerning the Business in confidence after the Closing, except to the extent that such information (a) is generally available to and known by the public through no fault of Sellers, (b) is lawfully acquired by Sellers after the Closing from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation, (c) is required to be disclosed pursuant to any applicable Law, Order, or other similar requirement of any Governmental Authority, or (d) is disclosed in connection with any Tax Return required to be filed by the Sellers or their Affiliates or in connection with any action, suit, proceeding based

on any matter arising out of or in connection with this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby.

**Section 11.2. Governing Law.** This Agreement and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed and construed in accordance with the internal Laws of the State of Delaware applicable to contracts made and wholly performed within the State of Delaware, without regard to any applicable conflicts of law principles that would result in the application of the Laws of any other jurisdiction.

**Section 11.3. Exclusive Jurisdiction; Court Proceedings.** The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought exclusively in the Chancery Court of the State of Delaware and any state appellate court therefrom or, if such court lacks subject matter jurisdiction, the United States District Court sitting in New Castle County in the State of Delaware, and each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.5 shall be deemed effective service of process on such party.

**Section 11.4. Jury Trial.** Each of the parties hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding (whether in contract or tort or otherwise) arising out of or related to this Agreement or the transactions contemplated hereby.

**Section 11.5. Notices.** All notices and other communications in connection with this Agreement shall be in writing and shall be delivered by a reputable overnight courier, such as Federal Express (receipt requested), if such notice is to the Sellers or the Buyer in each case to the applicable parties at the addresses set forth below (or at such other address for a party as shall be specified by like notice). All such notices and other communications will be deemed given upon delivery, or, if delivery is refused by the intended recipient, on first attempted delivery.

If to the Sellers:

Scripps Media, Inc.  
312 Walnut Street, 28<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Attention: Robin A. Davis, Vice President/Strategy and Corporate Development

with a copy (which shall not constitute notice):

Scripps Media, Inc.  
312 Walnut Street, 28<sup>th</sup> Floor  
Cincinnati, Ohio 45202  
Attention: William Appleton, Executive Vice President and General Counsel

If to the Buyer or the Buyer Guarantor, to:

Lotus Communications Corp.  
3301 Barham Boulevard  
Los Angeles, California 90068  
Attention: Howard Kalmenson, President

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

McLaughlin & Stern, LLP  
1010 Northern Boulevard  
Suite 400  
Great Neck, New York 11021  
Attention: Eileen Breslin

**Section 11.6. Successors and Assigns; Third Party Beneficiaries.**

(a) This Agreement and all its terms shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Except as provided in this Section 11.6, this Agreement shall not be assigned by any party hereto. Any party (including, for this purpose, the Sellers) may assign or transfer any of its rights and obligations under this Agreement to any of its Affiliates, provided that no such assignment or transfer materially delays the grant of the FCC Consent, and, provided further, that no such assignment or transfer shall operate to relieve a party of any of its liabilities or obligations hereunder.

(b) Notwithstanding anything to the contrary in Section 11.6(a), the parties hereto agree that, with respect to Station KQTH-FM and the KQTH-FM Assets, the Buyer is hereby permitted at or after the Closing to assign to the KQTH-FM Purchaser or, in the event of a Required Divestiture in respect of this Station, to the Divestiture Trust, all of Buyer's obligations under Section 2.8 (Further Assurances), Section 6.2 (Employees) and Section 6.6 (Sellers' AR) solely in respect of Station KQTH-FM and the KQTH-FM Assets. The Buyer may include provisions in the KQTH-FM Purchase Agreement that effect the assignment and assumption contemplated by this Section 11.6(b).

(c) Notwithstanding anything to the contrary in Section 11.6(a), the parties hereto agree that, with respect to Station KTGV-FM and the KTGV-FM Assets, the Buyer is hereby

permitted at or after the Closing to assign to the KTGv-FM Purchaser or, in the event of a Required Divestiture in respect of this Station, to the Divestiture Trust, all of Buyer's obligations under Section 2.8 (Further Assurances), Section 6.2 (Employees) and Section 6.6 (Sellers' AR) solely in respect of Station KTGv-FM and the KTGv-FM Assets. The Buyer may include provisions in the KTGv-FM Purchase Agreement that effect the assignment and assumption contemplated by this Section 11.6(b).

(d) With respect to any assignment permitted under this Section 11.6, (i) at the Sellers' request, Buyer shall cause the applicable assignee to execute and deliver to Sellers a written instrument of assumption with respect to the applicable provisions of this Agreement, in which such assignee shall covenant to Sellers to observe, satisfy, discharge and perform the obligations of Buyer thereunder (to the extent that such obligations relate to Station KQTH-FM or the KQTH-FM Assets or to Station KTGv-FM or the KTGv-FM Assets, as applicable) and (ii) Buyer shall remain liable for all of its obligations hereunder (including those assigned to and assumed by such assignee).

(e) Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any Person other than the parties and successors and assigns permitted by this Section 11.6 any right, remedy or claim under or by reason of this Agreement.

#### **Section 11.7. Access to Records after Closing.**

(a) For a period of six (6) years after the Closing Date, the Sellers and their representatives shall have reasonable access to all of the books and records of the Business transferred to the Buyer hereunder to the extent that such access may reasonably be required by the Sellers in connection with matters relating to or affected by the operations of the Business prior to the Closing Date. Such access shall be afforded by the Buyer upon receipt of reasonable advance notice and during normal business hours. The Sellers shall be solely responsible for any costs or expenses incurred by them pursuant to this Section 11.7(a). If the Buyer shall desire to dispose of any of such books and records prior to the expiration of such six (6) year period, it shall, prior to such disposition, give the Sellers a reasonable opportunity, at their expense, to segregate and remove such books and records as they may select.

(b) For a period of six (6) years after the Closing Date, the Buyer and its representatives shall have reasonable access to all of the books and records relating to the Business that the Sellers retain after the Closing Date. Such access shall be afforded by the Sellers upon receipt of reasonable advance notice and during normal business hours. The Buyer shall be solely responsible for any costs and expenses incurred by it pursuant to this Section 11.7(b). If either of Sellers shall desire to dispose of any of such books and records prior to the expiration of such six-(6) year period, such party shall, prior to such disposition, give the Buyer a reasonable opportunity, at the Buyer's expense, to segregate and remove such books and records as they may select.

**Section 11.8. Entire Agreement; Amendments.** This Agreement, the Exhibits and Schedules referred to herein and the other documents delivered pursuant hereto, including the Ancillary Agreements, contain the entire understanding of the parties hereto with regard to the subject matter contained herein or therein, and supersede all prior agreements, understandings or

intents between or among any of the parties hereto. The parties hereto, by mutual agreement in writing, may amend, modify and supplement this Agreement.

**Section 11.9. Interpretation.** Article titles and headings to Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The Schedules and Exhibits referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein. For purposes of this Agreement, (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation,” (ii) the word “or” is not exclusive and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein (a) to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of, and the Exhibits and Schedules attached to, this Agreement and (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement. This Agreement and the Ancillary Agreements shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. References to a “party hereto” or the “parties hereto” or similar phrases shall refer to the Sellers and the Buyer. An asset or right shall be deemed to be “exclusively related” to or “exclusively used in” the Business if in the ordinary course of the Business such asset or right is used solely in the Business and is not used by the other businesses and operations of the Sellers.

**Section 11.10. Waivers.** Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

**Section 11.11. Expenses.** Except as otherwise expressly provided herein, each of the Sellers and the Buyer will pay all of its own costs and expenses incident to negotiation and preparation of this Agreement and to performance and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including the fees, expenses and disbursements of its counsel and accountants.

**Section 11.12. Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**Section 11.13. Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which

shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties and delivered to each of the Sellers and the Buyer.

**Section 11.14. Disclaimer of Warranties.** The Sellers make no representations or warranties with respect to any projections, forecasts or forward-looking information provided to the Buyer. There is no assurance that any projected or forecasted results will be achieved. Except as to those matters expressly covered by the representations and warranties in this Agreement and the certificates delivered by the Sellers pursuant to this Agreement, the Sellers are selling the Business and the Purchased Assets on an “as is, where is” basis and the Sellers disclaim all other warranties, representations and guaranties whether express or implied. The Sellers make no representation or warranty as to merchantability, suitability or fitness for any particular purpose and no implied warranties whatsoever. The Buyer acknowledges that neither the Sellers nor any of their representatives or Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any memoranda, charts, summaries or schedules heretofore made available to the Buyer or its representatives or Affiliates, or any other information that is not included in this Agreement or the Schedules hereto, and neither the Sellers nor any of their representatives or Affiliates nor any other Person will have or be subject to any liability to the Buyer, any Affiliate of the Buyer or any other Person resulting from the distribution of any such information to, or use of any such information by, the Buyer, any Affiliate of the Buyer or any of their agents, consultants, accountants, counsel or other representatives. In making their determination to proceed with the transactions contemplated by this Agreement, the Buyer and its Affiliates have relied solely on (a) the results of their own independent investigation and (b) the representations and warranties of the Sellers expressly and specifically set forth in this Agreement. The Buyer and its Affiliates expressly and specifically disclaim that they are relying upon or have relied upon any representation or warranty of any kind or nature, whether express or implied, not included in this Agreement that may have been made by any Person, and acknowledge and agree that the Sellers expressly and specifically disclaim any such other representations and warranties.

**Section 11.15. Specific Performance.** The parties agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached or the Closing was not consummated, and that money damages would not be an adequate remedy, even if available. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, or any other appropriate form of specific performance or equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof (including the parties’ obligations to consummate the Closing) in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to post any bond or other security in connection with any such order or injunction. Notwithstanding the foregoing or anything else in this Agreement to the contrary, if the Sellers terminate this Agreement pursuant to Section 10.1(a)(ii), the Escrow

Agent shall deliver the Escrow Deposit to the Sellers under Section 11.16(a) and, in such case, the parties will have no further obligations or liability hereunder.

**Section 11.16. Liquidated Damages; Return of Escrow Deposit.**

(a) Liquidated Damages. If the Sellers terminate this Agreement pursuant to Section 10.1(a)(ii), then the Escrow Agent will deliver the Escrow Deposit to Sellers pursuant to the terms of this Agreement and the Escrow Agreement (including Buyer's right to dispute) as liquidated damages and such payment shall be the sole and exclusive remedy of the Sellers. The Buyer acknowledges and agrees that any payment of the Escrow Deposit to Sellers pursuant to this Section 11.16(a) shall constitute payment of liquidated damages and not a penalty and that such liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by the Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

(b) Return of Escrow Deposit and Interest. In all cases other than a termination of this Agreement by the Sellers pursuant to Section 10.1(a)(ii), the Escrow Deposit shall be released to the Buyer upon a termination of this Agreement. If this Agreement is terminated for any reason, the accrued interest on the Escrow Deposit shall be paid to the Buyer.

**Section 11.17. Attorneys' Fees.** If any proceeding for the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable documented and out-of-pocket attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled) from the non-prevailing party of such proceeding.

**Section 11.18. Guaranty.** As consideration for the benefits that the Buyer and the Buyer Guarantor will receive as a result of entering into this Agreement and the Ancillary Agreements, as applicable, the Buyer Guarantor hereby agrees that it shall be responsible for all of the obligations of the Buyer (and any Person to whom the Buyer assigns any of its rights or delegates any of its obligations as permitted under this Agreement or any Ancillary Agreement, in whole or in part) under the provisions of this Agreement and each Ancillary Agreement. The Buyer Guarantor hereby guarantees to the Sellers the due and punctual performance and payment in full of the Purchase Price, any purchase price adjustment and any other amounts payable by the Buyer or its assignees hereunder or under any Ancillary Agreement. This guaranty by the Buyer Guarantor is an absolute, unconditional, present and continuing guaranty of payment and performance (as opposed to a guaranty only of collection), and the Sellers may enforce their rights under this guaranty without notice of default or without undertaking any proceeding or filing any cause of action against the Buyer (or any Person to whom the Buyer assigns any of its rights or delegates any of its obligations as permitted under this Agreement or any Ancillary Agreement, in whole or in part). The Buyer Guarantor hereby waives any and all defenses applicable to a guarantor or a surety under applicable Law in connection with its obligations under this guaranty and, without limiting the foregoing, the terms and conditions of the obligations of the Buyer (or any Person to whom the Buyer assigns any of its rights or delegates any of its obligations as permitted under this Agreement or any Ancillary Agreement, in whole

or in part) under this Agreement and each Ancillary Agreement may be modified, amended or supplemented without the consent or approval of the Buyer Guarantor, and the guaranty of the Buyer Guarantor shall continue in full force and effect as so modified, amended or supplemented.

[Signatures on following page]

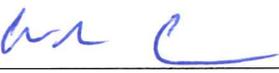
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**SELLERS:**

SCRIPPS MEDIA, INC.

By:   
Name: William Appleton  
Title: Executive Vice President and  
General Counsel

SCRIPPS BROADCASTING HOLDINGS LLC

By:   
Name: William Appleton  
Title: Executive Vice President and  
General Counsel

**BUYER:**

ARIZONA LOTUS CORP.

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

**BUYER GUARANTOR:**

LOTUS COMMUNICATIONS CORP.

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

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

**SELLERS:**

SCRIPPS MEDIA, INC.

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

Name: William Appleton  
Title: Executive Vice President and  
General Counsel

SCRIPPS BROADCASTING HOLDINGS LLC

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

Name: William Appleton  
Title: Executive Vice President and  
General Counsel

**BUYER:**

ARIZONA LOTUS CORP.

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

Name: James Kalmenson  
Title: First Senior VP

**BUYER GUARANTOR:**

LOTUS COMMUNICATIONS CORP.

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

Name: Howard Kalmenson  
Title: President and CEO

**LIST OF BROADCAST RADIO STATIONS**

**Tucson, Arizona:**

KFFN-AM

KMXZ-FM

KQTH-FM

KTGV-FM

**APPENDIX II**

**LIST OF TELEVISION STATIONS IN RADIO STATION MARKETS**

<u>Station</u>	<u>Market</u>
KGUN-TV	Tucson
KWBA-TV	Tucson