



ENTERED
04/01/2020

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

MARSHALL BROADCASTING
GROUP, INC.,¹

Debtor.

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Chapter 11

Case No. 19-36743 (DRJ)

**ORDER APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS**
[Relates to Docket No. 113, 157]

Upon the motion [Docket No. 113] (the “Motion”),² filed by Marshall Broadcasting Group, Inc., the above-captioned debtor and debtor in possession (the “Debtor”), for entry of an order (this “Order”) pursuant to 11 U.S.C. §§ 363 and 365 and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure approving (a) the proposed sale under the terms of the Asset Purchase Agreement by and between the Debtor and Mission Broadcasting, Inc. (the “Buyer”), a true and correct copy of which is attached hereto as **Exhibit 1**, (and together with all schedules attached thereto and all other documents contemplated thereby including the TSA (as defined below), collectively, the “APA”) of substantially all of the Debtor’s assets free and clear of all liens, claims, encumbrances and interests (other than the Assumed Liabilities set forth in the APA), and (b) the assumption and assignment of executory contracts and unexpired leases of the Debtor as may be requested by the Buyer and the proposed cure amounts with respect thereto (the “Cure Amount”), all as more fully set forth in the Motion; and the Court being satisfied that the relief requested in the Motion is necessary and in the best interests of the Debtor and its estate and

¹ The last four digits of Debtor’s federal tax identification number are (7805).

² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the APA.

creditors; and it appearing that sufficient notice of the Motion has been given, and that no other or further notice is required; and this Court having reviewed the Motion and having considered the evidence and arguments presented at hearing on March 30, 2020 (the “Sale Hearing”); and this Court having considered (i) the *Declaration of Philip de Roziere in Support of Sale* [Docket No. 205] (the “de Roziere Declaration”); (ii) the *Declaration of Drew McManigle in Support of Sale* [Docket No. 206] (the “McManigle Declaration”); (iii) the *Declaration of Dennis Thatcher in Support of Sale* [Docket No. 207] (the “Thatcher Declaration”); and (iv) the *Declaration of Pluria Marshall, Jr. in Support of Sale* [Docket No. 208] (the “Marshall Declaration”); and this Court having determined that the legal and factual bases set forth in the Motion, the de Roziere Declaration, the McManigle Declaration, the Thatcher Declaration, the Marshall Declaration and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court hereby finds as follows:³

I. Jurisdiction and Statutory Predicates.

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N), and (O).
- C. The statutory predicates for the relief ordered herein are sections 105, 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9014 and Paragraph 28 of the Procedures for Complex Chapter 11 Cases in the Southern District of Texas.
- D. The relief requested in the Motion is in the best interests of the Debtor, its estate, creditors, and other parties in interest.

³ The findings of fact and conclusions of law herein constitute the Court’s findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

II. Notice.

E. Proper, timely, adequate, and sufficient notice of (a) the Motion, (b) the Bid Deadline of March 17, 2020 (the “Bid Deadline”) pursuant to the Bid Procedures Order (as defined below) (c) the sale of the Purchased Assets (as defined below) to Buyer (as defined below) pursuant to (i) the bidding procedures authorized by the Court in the Bid Procedures Order (the “Bidding Procedures”) and (ii) the APA and the transactions contemplated in connection therewith (the “Sale”), (d) the assumption and assignment to the Buyer of certain executory contracts and unexpired leases as described and identified more fully in the APA (the “Assumed Contracts”), (e) the Cure Amounts, (f) the Sale Hearing, and (g) all deadlines related thereto, has been provided by the Debtor in its (i) *Notice of Bid Deadline, Auction and Sale Hearing* [Docket No. 160] (the “Sale Notice”), the Cure Notice (as defined below) and the Notice of Successful Bidder (as defined below), as relevant, in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 9007, 9008, and 9014, and in compliance with the *Order (A) Approving Bidding Procedures and Certain Bid Protections, (B) Scheduling Bid Deadline, Auction Date, and Sale Hearing and Approving Form and Manner of Notice Thereof; and (C) Approving Cure Procedures and the Form and Manner of Notice Thereof* [Docket No. 157] (the “Bid Procedures Order”), to each party entitled thereto. A reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities.

F. The Debtor further filed with the Court and served upon the non-Debtor counterparties to the Assumed Contracts a *Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts*, identifying, among other things, the Cure Amounts [Docket No. 175] (as amended by Docket Nos. 176 and 177, collectively, the “Cure Notice”), in accordance with the Bid Procedures Order. The service of the

Cure Notice was sufficient under the circumstances and in full compliance with the Bid Procedures Order, and no further notice need be provided in respect of the Debtor's assumption and assignment to the Buyer of the Assumed Contracts, the Cure Amounts, or the Sale. All non-Debtor counterparties to the Assumed Contracts have had an adequate opportunity to object to the assumption and assignment of the Assumed Contracts and the Cure Amounts in accordance with the Cure Notice. Objections to cure amounts were filed by American Towers LLC [Docket No. 196] (the "American Towers Objection"), Nexstar Broadcasting, Inc., ("Nexstar") [Docket No. 201] (the "Nexstar Objection") and Warner Bros. Domestic Television Distribution [Docket No. 202] (the "WB Objection"). A reservation of rights was filed by Fox Broadcasting Company and Fox News Network (collectively, "Fox") [Docket No. 200] (the "Fox Reservation").

G. The notice described in the foregoing paragraphs is good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the Sale (and the transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Assumed Contracts, the Cure Amounts, the Sale Hearing, and all deadlines related thereto is or shall be required.

III. Seller's Authorization.

H. The assets being sold to Buyer (the "Purchased Assets" as defined in the APA), as more fully described in the APA between the Debtor and Buyer whereby the Debtor has agreed to sell the Purchased Assets to Buyer, constitute property of the Debtor's bankruptcy estate and title thereto is vested in the Debtor's estate, within the meaning of section 541 of the Bankruptcy Code.

I. The Debtor (i) has full corporate power and authority to execute the APA, and the Sale by the Debtor to the Buyer has been duly and validly authorized by all necessary corporate action, including approval from the Board of Directors, the Independent Director (as defined

below) and the Debtor's sole shareholder, (ii) has all of the corporate power and authority necessary to consummate the Sale and all transactions contemplated by the APA, (iii) has taken all corporate action necessary to authorize and approve the APA and the consummation by the Debtor of the Sale and all transactions contemplated thereby, and (iv) requires no consents or approvals that have not been obtained, other than the Court's entry of this Order and those expressly provided for in the APA to consummate such transactions, including but not limited to, approval by the Federal Communications Commission ("FCC").

IV. Highest and Best Offer.

J. The Sale is duly authorized pursuant to sections 363(b)(1) and 363(f) of the Bankruptcy Code and Bankruptcy Rule 6004(f). As demonstrated by (i) the testimony and other evidence adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtor has marketed the Purchased Assets and conducted all aspects of the sale process at arms' length, in good faith, and in compliance with the Bidding Procedures and Bid Procedures Order. The marketing process undertaken by the Debtor and its professionals, agents, and other representatives with respect to the Purchased Assets has been adequate and appropriate and reasonably calculated to maximize value for the benefit of all stakeholders. The Bidding Procedures were duly noticed and were substantively and procedurally fair to all parties. The APA constitutes the highest and best offer for the Purchased Assets.

V. AMBE Bid; No Auction.

K. On February 14, 2020, the Debtor filed a *Notice of Stalking Horse Bidder* [Docket No. 158], pursuant to which it designated Allen Media Broadcasting Evansville, Inc. ("AMBE") as the stalking horse bidder on the terms set forth in the Asset Purchase Agreement submitted by AMBE dated February 14, 2020. The Buyer timely submitted its bid, and no bids other than the

Buyer's bid and AMBE's bid were received by the Bid Deadline of March 17, 2020. Based on AMBE's noncompliance with certain provisions of the Bidding Procedures, the Debtor determined not to proceed with AMBE as the Stalking Horse Bidder and accordingly, on March 21, 2020, filed its *Notice of Cancellation of Auction* [Docket No. 194] cancelling the Auction in accordance with the Bidding Procedures.

VI. Successful Bid.

L. The Debtor, including the independent director, Drew McManigle (the "Independent Director"), who was appointed and vested with certain decision-making authority related to the sale process pursuant to the *Final Order (I) Authorizing the Debtor to Use Cash Collateral, (II) Granting Certain Protections to Prepetition Lender, and (III) Modifying the Automatic Stay* [Docket No. 107] (the "Final Cash Collateral Order"), determined in a valid and sound exercise of its business judgment that the transactions contemplated by the APA were the highest or otherwise best bid and, therefore, Buyer's bid was designated as the successful bid (the "Successful Bid"). On March 27, 2020, the Debtor filed its *Notice of Successful Bidder* [Docket No. 198] (the "Notice of Successful Bidder"), identifying the Buyer as the Successful Bidder for the Purchased Assets in accordance with the Bid Procedures Order. As established by the record of the Sale Hearing, the Bid Procedures Order has been complied with in all material respects by the Debtor and the Buyer. The Bidding Procedures afforded a full, fair, and reasonable opportunity for any entity or person to make a higher or otherwise better offer to purchase the Purchased Assets.

VII. Credit Bid

M. As set forth more fully in the Final Cash Collateral Order, and subject to the terms thereof, the MBG Secured Obligations (as defined in the Final Cash Collateral order) are legal,

valid, binding obligations of the Debtor and provide MBG with a secured, allowed claim against the Debtor that is allowed and not subject to offset, challenge, counterclaim or offset of any kind in the amount of \$49,013,808.90. Pursuant to applicable law, including section 363(k) of the Bankruptcy Code and in accordance with the Final Cash Collateral Order, the Buyer is authorized to credit bid the full amount of the MBG Obligations plus Adequate Protection Obligations. Pursuant to the APA, the Buyer has submitted a credit bid of \$ 49,013,808.90 of the Obligations (the “Credit Bid”). The Credit Bid is a valid and proper consideration pursuant to sections 363(b) and 363(k) of the Bankruptcy Code and the Final Cash Collateral Order.

VIII. Best Interests of the Estate.

N. Approval of the APA and consummation of the Sale are in the best interests of the Debtor, its creditors, its estate, and other parties in interest.

O. The Debtor has demonstrated both (i) good, sufficient, and sound business purposes and justifications and (ii) compelling circumstances for this Court to approve the APA and consummation of the Sale pursuant to section 363(b) of the Bankruptcy Code prior to and outside of a plan of reorganization because of the Debtor’s current financial position.

IX. Good Faith Purchaser.

P. The APA was negotiated, proposed, and entered into by the Debtor and the Buyer without collusion, in good faith, and on an arms’-length basis.

Q. Neither the Debtor, nor the Buyer, nor any affiliate of the Buyer has engaged in any conduct that would cause or permit the APA to be avoided under section 363(n) of the Bankruptcy Code. The Buyer is purchasing the Purchased Assets in good faith and is a good-faith buyer within the meaning of section 363(m) of the Bankruptcy Code. The Buyer is not an “insider” of the

Debtor, as that term is defined in section 101(31) of the Bankruptcy Code. The Buyer is therefore entitled to all of the protections afforded thereby.

R. The consideration provided by the Buyer for the Purchased Assets pursuant to the APA is (a) reasonably equivalent value under the Bankruptcy Code and any Uniform Fraudulent Transfer Act, (b) fair consideration under any Uniform Fraudulent Conveyance Act, and (c) reasonably equivalent value, fair consideration, fair salable value, and fair value under any such laws as applicable or any other applicable laws of the United States, any state, territory, or possession thereof, or the District of Columbia. Neither the Debtor nor the Buyer has entered into the APA or is consummating the Sale with any fraudulent or otherwise improper purpose.

X. Free and Clear.

S. As of the Closing, pursuant and subject to the terms of the APA, the transfer of the Purchased Assets and the Sale will effect a legal, valid, enforceable, and effective transfer of the Purchased Assets and will vest the Buyer with all of the Debtor's right, title, and interest in the Purchased Assets, free and clear of (i) all liens (including any liens as that term is defined in section 101(37) of the Bankruptcy Code) and encumbrances relating to, accruing, or arising at any time prior to the Closing Date (collectively, the "Liens") and (ii) all debts arising under, relating to, or in connection with any act of the Debtor or claims (as that term is defined in section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests of any kind or nature, mortgages, easements, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, licenses, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, claims for reimbursement, contribution, indemnity, exoneration, infringement, products liability, covenant or other restrictions of any kind, restrictions, defects of title,

attachments rights of first refusal, charges of interests of any kind or nature, if any, including, without limitation, any restriction of use or transfer, voting, transfer, receipt of income or other exercise of any attributes of ownership, alter-ego, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity, or otherwise, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto (i) that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtor's or the Buyer's interests in the Purchased Assets, or any similar rights (collectively, as defined in this clause (ii), "Claims"), relating to, accruing or arising at any time prior to the Closing, with the exception of any Permitted Encumbrances and Cure Amounts.

T. The Buyer would not have entered into the APA and would not have consummated the Sale, thus adversely affecting the Debtor, its estate, and its creditors, if both (i) the Sale and (ii) the assumption and assignment of the Assumed Contracts to the Buyer were not free and clear of all Liens, Claims, Encumbrances, and other interests of any kind or nature whatsoever, with the exception of Permitted Encumbrances, Cure Amounts and Assumed Liabilities.

U. The Buyer and its affiliates and their respective predecessors, successors, assigns, past, present and future members, partners, principals, directors, officers, shareholders, supervisor, managers, employees, agents, representatives and advisors (collectively, the "Buyer Entities") (1) are not successors (and shall not be deemed successors) to the Debtor or its estate by reason of any

theory of law or equity, and (2) shall not assume or in any way be responsible for any liability or obligation of the Debtor and/or its estate, except as otherwise expressly provided in the APA.⁴

XI. Section 363(f) is Satisfied.

V. The Debtor may sell the Purchased Assets free and clear of all Liens, Claims, Encumbrances, and other interests of any kind or nature whatsoever, because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. All parties in interest, including, without limitation, any holders of Liens, Claims, Encumbrances, and other interests and any other non-Debtor counterparties to the Assumed Contracts, that did not object, or who withdrew their objection, to the Sale, the Motion, the assumption and assignment of the applicable Assumed Contract or the associated Cure Amount have consented to the relief granted herein pursuant to section 363(f)(2) of the Bankruptcy Code.

XII. Assumption and Assignment of the Assumed Contracts

W. The Debtor has demonstrated that the assumption and assignment of the Assumed Contracts to the Buyer in connection with the consummation of the Sale is an exercise of the Debtor's sound business judgment and is in the best interests of the Debtor, its estate and creditors, and other parties in interest. The Assumed Contracts being assigned to the Buyer are an integral part of the APA and the Sale and, accordingly, the assumption and assignment of the Assumed Contracts is reasonable and enhances the value of the Debtor's estate. Any non-Debtor counterparty to an Assumed Contract that has not actually filed with the Court an objection to such

⁴ For the avoidance of doubt, Nexstar Broadcasting Inc. and Nexstar Media Group, and each of their respective affiliates, predecessors, successors, assigns, past, present and future members, partners, principals, directors, officers, shareholders, supervisor, managers, employees, and agents (collectively, the "Nexstar Entities"), are not "Buyer Entities" and shall not be entitled to any of the protections herein afforded to the Buyer Entities.

assumption and assignment in accordance with the terms of the Bid Procedures Order and Cure Notice is deemed to have consented to such assumption and assignment.

X. The Debtor and the Buyer, as applicable under the APA, have, including by way of entering into the APA, and agreeing to the provisions relating to the Assumed Contracts therein, (i) cured, or provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assumed Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, and (ii) provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Assumed Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code, and the Buyer has, based upon the record of these proceedings, provided adequate assurance of its future performance of and under the Assumed Contracts, within the meaning of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code. No default exists in the Debtor's performance under the Assumed Contracts as of the Closing Date other than the failure to pay Cure Amounts or defaults that are not required to be cured as contemplated in section 365(b)(1)(A) of the Bankruptcy Code. The Buyer's promise under the APA to perform the obligations under the Assumed Contracts after the Closing shall constitute sufficient adequate assurance of future performance under the Assumed Contracts being assigned to the Buyer within the meanings of sections 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code. The Cure Amounts are hereby found to be the sole amounts necessary to cure any and all defaults under the Assumed Contracts under section 365(b) of the Bankruptcy Code.

Y. The Buyer is hereby substituted for all purposes as a party to all Assumed Contracts in the place of the Debtor. Buyer shall have any and all rights and benefits of the Debtor under all such Assumed Contracts without interruption or termination of any kind, and all terms applicable

to the Debtor shall apply to the Buyer as if such Assumed Contracts were amended to replace the Debtor with the Buyer..

XIII. Immediate Effect of Order /Waiver of Stay

Z. Time is of the essence in consummating the Sale. The consummation of the Sale as soon as practicable is necessary both to preserve and maximize the value of the Debtor's assets for the benefit of the Debtor, its estate, its creditors, interest holders and all other parties in interest in the chapter 11 case, and to provide the means for the Debtor to maximize creditor and interest holder recoveries. The Court expressly finds that there is no just reason for delay in the implementation of this Order, waives any stay including as contemplated by Bankruptcy Rules 6004 and 6006, directs that this Order be effective immediately upon its entry, and expressly directs entry of this Order as set forth herein.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. **Relief Granted; Objections Overruled.** The Motion (as it pertains to approval of the matters set forth herein) is **GRANTED** as set forth herein and the Sale contemplated thereby and by the APA is approved as set forth in this Order. Except for those objections to any cure amount, adequate assurance, or both referenced in paragraphs 30 and 31 in this Order, all of which are expressly reserved for future determination, any objections that have not been previously resolved or withdrawn are overruled on the merits.
2. **Approval of APA.** The APA, and all other ancillary documents, including all of the terms and conditions thereof, is hereby approved.
3. **Authorization.** Pursuant to section 363(b) of the Bankruptcy Code, the Debtor is authorized and directed to execute and deliver, perform under, consummate, implement, comply with and close fully the APA subject to the receipt of approval by the FCC, together with all

additional instruments and documents that may be reasonably necessary or desirable to implement the APA and the Sale, consummate the Sale pursuant to and in accordance with the terms and conditions of the APA including, but not limited to, receipt of the approval by the FCC, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Purchased Assets, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the APA.

4. **Binding Effect.** This Order and the APA shall be binding in all respects upon the Debtor and its estate, successors, and assigns, all creditors of and equity holders in the Debtor, and any and all other parties in interest, including, without limitation, any and all holders of Liens, Claims, encumbrances, and other interests (including holders of any rights or claims based on any putative successor or transferee liability) of any kind or nature whatsoever in the Purchased Assets, all non-Debtor parties to the Assumed Contracts, and any trustee or successor trustee appointed in these chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code. The APA and the Sale are not subject to rejection or avoidance (whether through any avoidance or recovery, claim, action, or proceeding arising under chapter 5 of the Bankruptcy Code or under any similar state or federal Law or any other cause of action) by the Debtor, any chapter 7 or chapter 11 trustee of the Debtor's bankruptcy estates or any other person or entity. The APA, this Order, and the Debtor's obligations therein and herein shall not be altered, impaired, amended, rejected, discharged, or otherwise affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Buyer. Nothing contained in any chapter 11 plan confirmed in these chapter 11 cases or the confirmation order confirming any such chapter 11 plan shall

conflict with or derogate from the provisions of the APA or this Order. This Order and the APA shall inure to the benefit of the Debtor, its estate, its creditors, the Buyer, and their respective successors and assigns.

5. **Good Faith Purchaser.** The Buyer is a good faith purchaser of the Purchased Assets and is hereby granted and is entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Order are hereafter reversed, modified or vacated by a subsequent order of the Bankruptcy Court or any other court, such reversal, modification or vacatur shall not affect the validity and enforceability of any sale, transfer or assignment under the APA or obligation or right granted pursuant to the terms of this Order (unless stayed pending appeal prior to the Closing Date) and, notwithstanding any reversal, modification or vacatur, any sale, transfer or assignment, shall be governed in all respects by the original provisions of this Order or the APA, as the case may be.

6. **Section 363(n) of the Bankruptcy Code.** The sale approved by this Order is not subject to avoidance or any recovery of damages pursuant to section 363(n) of the Bankruptcy Code.

7. **Modifications.** The APA and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in a writing signed by both parties in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor's estate.

8. **Valid Transfer.** Except as expressly permitted or otherwise specifically provided for in the APA or this Order, including, but not limited to, the FCC approval, pursuant to sections

105(a), 363(b), 363(f), 365(b), 365(f) of the Bankruptcy Code or any other applicable section of the Bankruptcy Code, upon the Closing, the Purchased Assets shall be transferred to the Buyer, and such transfer shall constitute a legal, valid, binding and effective transfer of the Purchased Assets free and clear of all Liens, Claims, Encumbrances, and other interests of any kind or nature whatsoever pursuant to section 363(f) of the Bankruptcy Code. Upon the Closing, the Buyer shall take title to and possession of the Purchased Assets subject only to the Assumed Liabilities and Permitted Encumbrances.

9. **Free and Clear.** Except as expressly permitted or otherwise specifically provided by the APA or this Order, all persons and entities (as defined in section 101(15) of the Bankruptcy Code), including, but not limited to, all lenders, debt security holders, equity security holders, governmental, tax, and regulatory authorities, parties to executory contracts and unexpired leases, creditors holding Liens or claims of any kind or nature whatsoever against or in the Debtor or any of the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated) arising under or out of, in connection with, or in any way relating to, the Debtor, the Purchased Assets, the operation of the Debtor's business prior to the Closing, or the transfer of the Purchased Assets to the Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting any Liens or Claims of any kind or nature whatsoever, against the Buyer and its successors, designees, assigns, or property, or the Purchased Assets conveyed in accordance with the APA. On the Closing Date, each of the Debtor's creditors is authorized to execute such documents and take all other actions as may be deemed by the Buyer to be necessary or desirable to release Liens or Claims on the Purchased Assets, if any, as provided for herein, as such Liens or Claims may have been recorded or may otherwise exist. This Order (a) shall be effective as a determination that, upon the Closing, all Liens, Claims, Encumbrances,

and other interests of any kind or nature whatsoever existing as to the Purchased Assets prior to the Closing have been unconditionally released, discharged, and terminated and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, foreign, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to, the Purchased Assets.

10. **No Responsibility.** For the avoidance of doubt, unless set forth in the APA, the Buyer shall not be responsible for any Liens, Claims, Encumbrances, interests and Excluded Liabilities (other than Assumed Liabilities), including in respect of the following: (i) any labor or employment agreements; (ii) any mortgages, deeds of trust and security interests; (iii) any intercompany loans and receivables between the Debtor and its owners, (iv) any pension, multiemployer plan (as such term is defined in Section 3(37) or Section 4001(a)(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”)), health or welfare, compensation or other employee benefit plans, agreements, practices and programs, (v) any other employee, worker's compensation, occupational disease or unemployment or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) ERISA, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as

amended, (g) the Americans with Disabilities Act of 1990, (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, or (k) any other state or federal benefits or claims relating to any employment with the Debtor or any of its predecessors; (vi) liabilities arising under any Environmental Laws with respect to any assets owned or operated by the Debtor at any time prior to the Closing Date; (vii) any bulk sales or similar law; (viii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (ix) any Excluded Liabilities.

11. **Operation of the Business Prior to Closing.** Until the Closing, the Debtor shall operate the business (including the Purchased Assets) in accordance with section 11 of the Final Cash Collateral Order and Section 5.4 of the APA.

12. **Possession.** All persons and entities that are in possession of some or all of the Purchased Assets on the Closing Date are directed to surrender possession of such Purchased Assets to the Buyer or its assignee as of the Closing Date.

13. **Release of Liens.** If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Liens in the Purchased Assets conveyed pursuant to the APA and this Order has not delivered to the Debtor, prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens which the person or entity has with respect to the Purchased Assets or otherwise, then (a) the Debtor is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets, and (b) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise

recorded, shall constitute conclusive evidence of the release of all Liens in the Purchased Assets of any kind or nature whatsoever. Notwithstanding the foregoing, the provisions of this Order authorizing the sale and assignment of the Purchased Assets free and clear of Liens, interests and the Excluded Liabilities shall be self-executing, and neither the Debtor nor the Buyer shall be required to execute or file releases, termination statements, assignments, consents or other instruments in order to effectuate, consummate and implement the provisions of this Order.

14. **Wind Down Amount.** The APA provides for a “Wind Down Amount,” which shall be used to pay certain accrued and unpaid allowed expenses of the Debtor after closing of the Sale solely as set forth in the APA and solely in accordance with the budget attached hereto as **Exhibit 2** (the “Wind Down Budget”). At Closing, the Debtor shall provide an estimate of all accrued and unpaid fees, disbursements, costs, and expenses (the “Professional Fees”) incurred by professionals or professional firms retained by the Debtor or its estate pursuant to sections 327, 328 or 363 of the Bankruptcy Code which Professional Fees were incurred (regardless of when invoiced or applied for) prior to the Closing and are expressly provided for in the Approved Budget (as defined in the Final Cash Collateral Order (the “Pre-Closing Fee Estimate”). An amount equal to the Pre-Closing Fee Estimate shall be added to the “Wind Down Amount” set forth in the APA and included in the Wind Down Budget, and such amounts shall only be paid to such professionals in accordance with the Approved Budget and upon allowance by the Court. Any amounts in the Wind Down Budget budgeted for Professional Fees for the period after Closing shall only be distributed to such professionals upon further order of the Court upon motion. Any residual amount remaining after payment of the allowed items contained within the Wind Down Budget shall be promptly delivered to the Buyer without further order of the Court. Notwithstanding anything to the contrary in this Order or APA, at Closing, the Buyer shall have the right (in its sole

discretion) to assume (upon written notice to the Debtor) any item in the Wind Down Budget, which will reduce the Wind Down Amount on a dollar for dollar basis. For the avoidance of doubt, unless expressly assumed by the Buyer in its sole discretion, the Buyer shall have no responsibility for the payment or reimbursement of any amounts set forth in the Wind Down Budget, and nothing in this Order or otherwise shall be construed to obligate the Buyer to guarantee that the Debtor has sufficient cash on hand at Closing to fund the Wind Down Amount.

15. **Authorization of Assumption and Assignment.** The Debtor is hereby authorized to and shall, in accordance with sections 105(a) and 365 of the Bankruptcy Code, and upon payment of the applicable Cure Amounts (if any) by the Buyer, (a) assume the Assumed Contracts, (b) assign the Assumed Contracts to the Buyer, effective upon and subject to the occurrence of the Closing, free and clear of all Liens, Claims, Encumbrances, and other interests of any kind or nature whatsoever, which Assumed Contracts by operation of this Order, shall be deemed assumed and assigned effective as of the Closing, and (c) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer the Assumed Contracts to the Buyer. The Buyer's assumption on the terms set forth in the APA of the Assumed Contracts, is hereby approved, and all requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption and assignment of the Assumed Contracts by the Debtor to the Buyer have been satisfied.

16. **Anti-Assignment Provisions Unenforceable.** Upon assignment to the Buyer, (i) the Assumed Contracts shall remain in full force and effect for the benefit of the Buyer in accordance with their respective terms, notwithstanding any provision in any such Assumed Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that (a) prohibits, restricts, limits, or conditions such assignment or transfer, or (b) allows

the non-Debtor party to such Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such Assumed Contract. Each non-Debtor party to an Assumed Contract is hereby forever barred, estopped, and permanently enjoined from asserting any objection to the assumption and assignment of such non-Debtor party's Assumed Contract including, without limitation, that its consent is necessary for such assumption and assignment; provided further that any provision in any Assumed Contract that prohibits or conditions the assignment of such Assumed Contract on the consent of the non-Debtor counterparty thereto shall be unenforceable and of no force and effect.

17. **Substitution of Buyer.** Upon assignment to the Buyer, in accordance with sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested in all right, title, and interest of the Debtor in each Assumed Contract free and clear of Liens, Claims, encumbrances, and other interests of any kind or nature whatsoever. The Buyer is hereby substituted for all purposes solely related to the Purchased Assets as a party to all Assumed Contracts in the place of the Debtor, and the Buyer shall have any and all rights and benefits of the Debtor related to the Purchased Assets under all such Assumed Contracts without interruption or termination of any kind, and all terms applicable to the Debtor solely related to the Purchased Assets shall apply to the Buyer as if such Assumed Contracts were amended to replace the Debtor with the Buyer.

18. **Cure.** All defaults or other obligations of the Debtor under the Assumed Contracts arising prior to the Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) as to which no objections were interposed and remain pending as of the date of this Order are deemed satisfied

by the payment of the proposed amount necessary, if any, to cure all monetary defaults, if any, under such Assumed Contract in those amounts set forth in the Cure Notice, which was served in compliance with the Bid Procedures Order, and which were satisfied, or shall be satisfied as soon as practicable, as provided in the APA. For all Assumed Contracts for which a Cure Notice was served, the Buyer is authorized and directed to pay all Cure Amounts required to be paid by such parties in accordance with the APA upon the later of (a) the Closing or (b) for any Assumed Contract for which an objection has been filed to the assumption and assignment of such agreement or the Cure Amounts relating thereto and such objection remains pending as of the date of this Order, within ten (10) business days of the resolution of such objection by settlement or order of this Court. Any non-Debtor counterparty to an Assumed Contract that has not filed an objection on or before the deadline as set forth in the relevant Cure Notice shall thereafter be barred from objecting or asserting monetary or non-monetary defaults with respect to any such Assumed Contract other than the applicable amount set forth in the Cure Notice, and such Assumed Contract shall be deemed assumed by the Debtor and assigned to the Buyer on the Closing Date.

19. **Addition or Removal of Contracts.** The Buyer is authorized, in its sole discretion, to add or remove any contracts from Schedule 2.1(j) to the APA, the list of those Contracts and Real Property Leases that Buyer elects to have assumed and assigned to Buyer, in accordance with the APA. Notwithstanding anything in this Order or the APA, none of the 33 contracts listed under the heading Contracts with Fox Broadcasting Company, LLC shall be removed from schedule 2.1(j) without the consent of Fox Broadcasting Company, LLC and Fox News Network, L.L.C.

20. **No Claims Against Buyer.** Upon the Closing and payment of any Cure Amount, each non-Debtor party to an Assumed Contract shall be forever barred, estopped, and permanently enjoined from asserting against the Buyer or any of its affiliates, or the property of any of them,

any default, breach, claims of pecuniary losses arising from the Assumed Contract and existing as of the Closing or by reason of Closing, action, liability, or other cause of action existing as of the date of the Sale Hearing whether asserted or not, or, against the Buyer or any of its affiliates, any counterclaim, defense, setoff or any other claim asserted or assertable against the Debtor.

21. **Adequate Assurance.** The Buyer has provided adequate assurance of its future performance under the relevant Assumed Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the Debtor's assumption and assignment to the Buyer of the Assumed Contracts have been satisfied.

22. **Administrative Expense.** Any amounts that become payable by the Debtor to the Buyer pursuant to the APA and any related agreements executed in connection therewith shall be paid in accordance therewith; provided that in the event any amounts are not promptly paid to the Buyer, such amounts shall (a) be entitled to administrative expense claim status under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code; (b) not be subordinate to any other administrative expense claim against the Debtor, (c) not be altered, amended, discharged or affected by any chapter 11 plan proposed or confirmed in these chapter 11 cases without the prior written consent of the Buyer, (d) be paid by the Debtor in the time and manner provided for in the APA without further order of this Court, and (e) not be subject to any bar date in these chapter 11 cases or any requirement to file any request for allowance of administrative claim or proof of claim. For the avoidance of doubt, post-petition amounts incurred by the Debtor and owed to Fox in the ordinary course of business under the Fox Contracts shall be entitled to administrative expense priority and paid in accordance with the Cash Collateral Budget and Wind Down Budget (as applicable). In the event the News Edge fees for KMSS-TV (Shreveport, LA) of \$3,560/month

incurred post-petition but prior to Closing are not paid consistent with past practice, such amount shall be added to the Cash Collateral Budget or Wind Down Budget (as applicable), and paid by the Debtor.

23. **Buyer's Assignment of Rights.** At any time prior to the Closing, Buyer may assign the APA or its rights thereunder to one or more of its affiliates or designees, which shall be entitled to assume and accede to the APA and to purchase and acquire any or some of the Purchased Assets in lieu of Buyer, and such affiliate(s) or designee(s) shall be deemed to be Buyer for all purposes under this Order. Notwithstanding anything in this Order or the APA, any assignment of the Fox Contracts to any party other than Mission shall require the consent of Fox Broadcasting Company, LLC and Fox News Network, L.L.C., which shall not be unreasonably withheld.

24. **No Successor Liability.** None of the Buyer Entities are or shall be deemed, as a result of the consummation of the Sale contemplated herein, to: (a) be legal successors to the Debtor or its estate by reason of any theory of law or equity, (b) be an affiliate of the Debtor, (c) have, *de facto* or otherwise, merged with or into the Debtor, or (d) be an alter ego or a mere continuation or substantial continuation or successor of the Debtor in any respect. Except as expressly permitted or otherwise specifically provided for in the APA or this Order, neither the Buyer nor any of its affiliates shall (i) assume or in any way be responsible for any liability or obligation of any of the Debtor and/or its estate or (ii) have any liability or responsibility for any liability or other obligation of the Debtor's arising under or related to the Purchased Assets or otherwise. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein and in the APA, the Buyer and its affiliates shall not be liable for any claims against the Debtor or its predecessors or affiliates, and the Buyer and its affiliates shall have no successor or vicarious liabilities of any kind or character including but not limited to any theory of warranty,

product liability, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtor or any obligations of the Debtor, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtor's business prior to the Closing.

25. **Release of Buyer.** Except with respect to the obligations under the Transaction Documents (as defined below), upon Closing, the Seller and all of its past, present and future shareholders, partners, members, board of directors and/or supervisors, managers, officers, employees, agents, representatives and advisors (collectively, the "Seller Entities") shall irrevocably and unconditionally release, remise, and forever discharge the Buyer Entities (in any capacity) from any and all suits, legal or administrative proceedings, Claims, demands, damages, losses, costs, liabilities, interest or causes of action whatsoever at law or in equity, known or unknown, which Seller Entities might now or subsequently may have, based on, relating to or arising out of or in connection with the Debtor, the Debtor's chapter 11 case, and sale process including claims for "lender liability" under any theory and any and all claims and causes of action arising under the Bankruptcy Code or applicable law. For the avoidance of doubt, the release set forth in this paragraph is not being given by, to, or for the benefit of the Nexstar Entities.

26. **Release of Seller.** Except with respect to the obligations under the Transaction Documents (as defined below), upon Closing, the Buyer shall irrevocably and unconditionally release, remise, and forever discharge the Seller Entities (in any capacity) from any and all suits, legal or administrative proceedings, Claims, demands, damages, losses, costs, liabilities, interest or causes of action whatsoever at law or in equity, known or unknown, which Seller Entities might

now or subsequently may have, based on, relating to or arising out of the Debtor, the Debtor's chapter 11 case, or the sale process. For the avoidance of doubt, the release set forth in this paragraph is not being given by, to, or for the benefit of the Nexstar Entities.

27. **Prohibition.** All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtor to sell and transfer the Purchased Assets to the Buyer in accordance with the terms of the APA and this Order.

28. **No Interference.** Following the Closing, no holder of a Lien in the Purchased Assets shall interfere with the Buyer's title to or use and enjoyment of the Purchased Assets based on or related to such Lien, or any actions that the Debtor may take in this chapter 11 case or any successor case.

29. **Jurisdiction.** This Court retains jurisdiction to enforce and implement the terms and provisions of the APA, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to: (a) compel delivery of the Purchased Assets or performance of other obligations owed to the Buyer under the APA, Sale Order, TSA, or any exhibit or ancillary agreements in connection with the Sale (collectively, the "Transaction Documents"); (b) resolve any disputes arising under or related to the Transaction Documents, except as otherwise provided therein; (c) interpret, implement, and enforce the provisions of the Transaction Documents; (d) protect the Buyer and its affiliates against (i) any Liens in the Debtor or the Purchased Assets of any kind or nature whatsoever and (ii) any creditors or other parties in interest regarding the turnover of the Purchased Assets that may be in their possession; and (e) enforce the provisions of the Transaction Documents.

30. **American Towers Objection.** Notwithstanding anything to the contrary herein, all rights of American Towers LLC and the Debtor are reserved and preserved with respect to the American Towers Objection, and all issues related thereto will be resolved either by stipulation of the parties or Order of the Court at a later date. A hearing on the American Towers Objection, to the extent not resolved beforehand, is scheduled for April 20, 2020 at 2:00 p.m.

31. **WB Objection.** Notwithstanding anything to the contrary herein, all rights of Warner Bros. Domestic Television Distribution and the Debtor are reserved and preserved with respect to the WB Objection, and all issues related thereto will be resolved either by stipulation of the parties or Order of the Court at a later date. None of the WBDTD Licenses (as that term is defined in the WB Objection) nor any rights and obligations of the Debtor arising under or in connection with the WBDTD Licenses will be assumed or assigned by the Debtor until such issues are so resolved. A hearing on the WB Objection, to the extent not resolved beforehand, is scheduled for April 20, 2020 at 2:00 p.m.

32. **Fox Reservation.** Any revised Cure Notice shall include identification and notice to both Fox Broadcasting Company, LLC and Fox News Network, L.L.C. In exchange for the provisions and consideration granted to Fox herein, Fox agrees that the Fox Reservation has been resolved.

33. **Nexstar Objection.** Because the Debtor's agreements with Nexstar are not being assumed and assigned under the APA, the Nexstar Objection is overruled as moot. Nothing in the Nexstar Objection or this Order shall in any way determine or affect any rights, claims or causes of action possessed by the Debtor or Nexstar, and all such rights, claims and causes of are reserved and preserved in all respects.

34. **FCC.** Notwithstanding any other provision of this Order or any other Order of this Court, no sale, transfer or assignment of any rights and interests of the Debtor in any federal license or authorization issued by the FCC shall take place prior to the issuance of FCC regulatory approval for such sale, transfer or assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder. The FCC's rights and powers to take any action pursuant to its regulatory authority, including, but not limited to, imposing any regulatory conditions on such sales, transfers and assignments and setting any regulatory fines or forfeitures, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority to the extent provided by law.

35. **No Bulk Sales.** The so-called "bulk sale" laws or any similar law of any applicable state or other jurisdiction are waived or inapplicable to the Sale. Except for PVB Advisors LLC, no brokers were involved in consummating the Sale. The Buyer is not, and will not become, obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the Sale based upon any arrangement made by, or on behalf of, the Debtor.

36. **Employee Issues.** Except as otherwise expressly provided in the APA, the Buyer shall have no Liability to pay wages, bonuses, severance pay, benefits (including, without limitation, contributions or payments on account of any under-funding with respect to any and all pension plans) or any other payment with respect to employees or former employees of the Debtor. Except as otherwise expressly provided in the APA shall have no Liability with respect to any collective bargaining agreement, employee pension plan, employee welfare or retention, benefit and/or incentive plan to which the Debtor is a party and relating to the Purchased Assets (including, without limitation, arising from or related to the rejection or other termination of any such

agreement), and Buyer shall in no way be deemed a party to or assignee of any such agreement, and no employee of Buyer shall be deemed in any way covered by or a party to any such agreement, and except as otherwise expressly provided in the APA, all parties to any such agreement are hereby enjoined from asserting against Buyer any and all Claims arising from or relating to such agreement.

37. **TSA.** As a condition to the Buyer's execution of the APA, Pluria Marshall, Jr. has agreed to execute the Transaction Support Agreement (the "**TSA**"), attached hereto as **Exhibit 3**, pursuant to which, among other things, Mr. Marshall has agreed to support (and not directly or indirectly oppose or otherwise interfere with) the Sale to the Buyer.

38. **Nexstar Administrative Expense Claim.** Notwithstanding anything to the contrary in the APA or in this Order, on the Closing Date, Buyer shall satisfy (whether by cash or, at Buyer's election, assumption) the post-petition administrative expense claims (if any) that have not been otherwise satisfied as of the Closing Date and are otherwise due and owing by the Debtor to Nexstar under those certain Shared Services Agreements between Nexstar and the Debtor — one for each of the three stations owned by the Debtor; provided however, Buyer's obligation under this paragraph is capped at the lesser of \$4.2 million or \$600,000 per month from the Petition Date through the Closing Date.

39. **Failure to Specify Provision.** The failure to specifically include any particular provision of the APA or other related documents in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the APA and other related documents be authorized and approved in their entirety.

40. **Headings.** The headings in this Order are for convenience of reference only and shall not be deemed to modify or limit the provisions of this Order or the APA.

41. **Conflict.** To the extent of any conflict between the APA and this Order, the terms and provisions of this Order shall govern.

42. **Non-Severable.** The provisions of this Order are non-severable and mutually dependent.

43. **No Stay of Order.** Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any entity obtaining a stay pending appeal, the Debtor and the Buyer are free to close the Sale under the APA in accordance with its terms at any time.

Signed: April 01, 2020.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE