

OPTION AGREEMENT

by and among

LOMBARDO COMMUNICATIONS II, INC.

LYNCH ENTERTAINMENT CORPORATION II

and

NEXSTAR BROADCASTING, INC.

as Buyer

____, 201_

OPTION AGREEMENT

THIS OPTION AGREEMENT ("**Agreement**") is made as of __, 201__, by and among LOMBARDO COMMUNICATIONS II, INC., LYNCH ENTERTAINMENT CORPORATION II (collectively, "**Sellers**") and NEXSTAR BROADCASTING, INC., a Delaware corporation ("**Buyer**"). Reference herein to a "Party" or the "Parties" shall refer, on the one hand, to the Buyer, and on the other hand, to the Sellers.

RECITALS

WHEREAS, Capital Communications Company, Inc. (the "**Company**") holds the authorizations set forth in Schedule 4.11(a) to the Stock Purchase Agreement (as defined below) issued by the Federal Communications Commission (the "**FCC**") to operate commercial television broadcast station WOI-DT, Ames, Iowa (the "**Station**");

WHEREAS, the parties have entered into a Stock Purchase Agreement dated as of September 16, 2013 (the "**Stock Purchase Agreement**") pursuant to which Buyer has agreed to purchase all of the capital stock of the Company from Sellers;

WHEREAS, pursuant to Section 10.3(c) of the Stock Purchase Agreement, the parties have agreed to enter into this Option Agreement;

WHEREAS, subject to the terms and conditions of this Agreement, (i) Sellers have agreed to grant Buyer an option to purchase the capital stock of the Company;

WHEREAS, Sellers and Buyer are, simultaneously with the execution and delivery of this Agreement, entering into an Amended and Restated Time Brokerage Agreement for the Station (the "**TBA**"), pursuant to which Buyer shall provide programming on the Station for the term set forth therein; and

WHEREAS, capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to such terms in the Stock Purchase Agreement

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

GRANT OF OPTION; STOCK TO BE CONVEYED

1.1 Option Grant. Each of the Sellers hereby grants to Buyer, and Buyer hereby accepts such Seller's grant of, an option (the "**Option**") to acquire the Option Shares (as defined below), upon the terms and conditions set forth in this Agreement. This Option is granted in return for, among other consideration, the financial consideration to Sellers under the Stock Purchase Agreement and the TBA.

1.2 Option Exercise. To exercise the Option, Buyer must deliver to Sellers on or before the expiration of the TBA (the "**Option Termination Date**") a written notice of its

intention to exercise the Option with respect to all of the Option Shares (the "**Exercise Notice**"). Within thirty (30) days after exercise of the Option, the parties shall enter into a stock purchase agreement (the "**Option SPA**"), in form and substance substantially the same as the Stock Purchase Agreement, with respect to the sale of the Option Shares; provided however, that the Option SPA shall contain only such provisions as are reasonably necessary for the purchase and sale of the Option Shares, and without limiting the generality of the foregoing, shall not contain provisions with respect to escrow of funds, employees, or financial statements.

1.3 Stock to be Transferred. Subject to the terms and conditions set forth in this Agreement, on the Closing Date (as defined below) Sellers shall sell, assign, transfer, convey and deliver to Buyer all of their respective rights, title and interest in and to the Shares (referred to herein as the "**Option Shares**").

1.4 TBA. Simultaneously with the execution and delivery of this Agreement, the Sellers and Buyer are entering into the TBA. Notwithstanding anything to the contrary contained in this Agreement or otherwise, neither Seller shall be deemed to have breached or failed to comply with any representations, warranties, covenants, or agreements with respect to the Station or the Option Shares to the extent such breach or failure is caused by any act, or omission where there was a duty to act, on the part of the Buyer or its agents under or in connection with the TBA or any activities or transactions by Buyer in furtherance thereof or in connection therewith.

ARTICLE 2 PURCHASE PRICE; CLOSING

2.1 Purchase Price. The purchase price for the Option Shares shall be Ten Thousand Dollars (\$10,000) (the "**Purchase Price**").

2.2 Payment at Closing. At the closing under the Option SPA (the "**Closing**"), Buyer shall pay Sellers the Purchase Price (50% to Lombardo and 50% to Lynch). Such payment shall be by wire transfer of immediately available funds to one or more accounts at banks or other financial institutions pursuant to wire transfer instructions that each Seller shall deliver to Buyer at least three business days prior to the date of the Closing (the "**Closing Date**").

2.3 Closing Deliveries. At the Closing, each of Sellers and Buyer will deliver to the other party such instruments of conveyance and other customary documentation as set forth in the Option SPA or as reasonably deemed necessary to effect the sale of the Option Shares to Buyer.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller represents and warrants to Buyer that, subject to the specific terms herein and to the disclosures in the schedules referenced in this Article 3, the following representations and warranties are true and correct as of the date of this Agreement:

3.1 Organization and Standing. Such Seller is duly formed, validly existing and in good standing under the laws of the State of its formation, (b) is qualified to do business in all

jurisdictions where failure to do so would have a Material Adverse Effect, and (c) has all necessary power and authority to own the Option Shares.

3.2 *Authorization and Binding Obligation.* Such Seller has all necessary power and authority to enter into and perform its obligations under this Agreement and the documents contemplated hereby and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by such Seller. This Agreement constitutes (and each of the other documents contemplated hereby, when executed and delivered, will constitute) valid and binding obligations enforceable against such Seller in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

3.3 *Absence of Conflicting Agreements.* Except for the FCC Consent the execution, delivery and performance of this Agreement and the documents contemplated hereby by such Seller does not and will not: (a) violate any provisions of the organizational documents of such Seller; (b) violate any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation or ruling of any court or governmental authority, except where such breach or default would not have a Material Adverse Effect; (c) constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any of the Contracts, assuming any necessary consents to assignment are obtained, and (d) create any Encumbrance upon any of the Option Shares, except where such breach or default would not have a Material Adverse Effect.

3.4 *Representations and Warranties.*(a) The representations and warranties of Seller contained in Article IV of the Stock Purchase Agreement (other than Sections 4.1, 4.2, 4.3 and the representations and warranties referred to in Section 3.4(b) below) are true and correct as of the date of this Agreement and the Closing (other than any representation or warranty that is expressly made as of a specified date, which was true and correct as of such specified date only), except to the extent that the failure of any of such representations and warranties to be so true and correct; (i) results from actions taken by the Company in the Ordinary Course of Business or from the actions of Buyer under the TBA, or (ii) has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, that for purposes of this Section, all materiality or similar qualifiers within such representations and warranties shall be disregarded.

(b) The representations and warranties of Seller contained in Sections 4.25, 4.26 and 4.27(c) through 4.27(f) of the Stock Purchase Agreement are true and correct as of the date of this Agreement and the Closing.

3.5 *Litigation.* There are no claims, litigation, arbitrations or other legal proceedings pending or, to the knowledge of Sellers, threatened against Sellers or the Company with respect to the Option Shares, except where such claims, litigation, arbitrations or other legal proceedings would not have a Material Adverse Effect.

3.6 FCC Licenses.

(a) The FCC Licenses are in full force and effect, have not been revoked, suspended, canceled, rescinded or terminated, have not expired (unless such FCC License remains in effect pursuant to section 307(c) of the Communications Act of 1934, as amended). The FCC Licenses are not subject to any conditions outside the ordinary course (other than conditions appearing on the face of such FCC Licenses), and to Sellers' knowledge, the Company is not in violation of any material terms or conditions thereunder. Assuming Buyer is in compliance with the TBA, the Station and the facilities of the Station are being operated in material compliance with the FCC Licenses and all material FCC rules and policies.

(b) Except as set forth on Schedule 3.6(b), and except for proceedings affecting the television broadcasting industry generally, there are no applications, petitions, complaints, investigations, notices of violations, notice of apparent liabilities, pending license terminations, forfeitures, proceedings or other actions pending or, to the knowledge of Sellers, threatened from or before the FCC relating to the Station or the FCC Licenses.

(c) The FCC Licenses have been issued for the full terms customarily issued by the FCC for full power commercial television broadcast stations such as the Station and as of the date hereof, no action or proceeding is pending or to Seller's knowledge threatened before the FCC or any other governmental body to revoke, refuse to renew, or modify in any materially adverse respect, the FCC Licenses.

3.7 Compliance with Laws. The Company is not in, nor has received notice from any governmental authority alleging that the Company is in, any material respect in violation of any federal, state or local laws, statutes, rules, regulations or orders relating to the ownership of its assets, except where such violation of federal, state or local laws, statutes, rules, regulations or orders would not have a Material Adverse Effect.

3.8 Governmental and Other Consents. Except for the FCC Consent and any consents required under Contracts, the execution, delivery and performance by the Sellers of this Agreement and the other documents contemplated herein, and the consummation by the Sellers of the transactions contemplated hereby and thereby, do not and will not require the authorization, consent, approval, exemption, clearance or other action by or notice or declaration to, or filing with, any court, administrative or other governmental body, or any other third party.

3.9 Reports. All reports and statements that the Company is required to file with the FCC in respect of the Station have been filed, and all reporting requirements of the FCC have been complied with in all material respects.

3.10 Brokers. There is no broker or finder or other Person who would have any valid claim against Sellers for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Seller or any Affiliate of Sellers.

3.11 Exclusivity of Representations. THE REPRESENTATIONS AND WARRANTIES MADE BY THE SELLERS IN THIS AGREEMENT OR PURSUANT TO THIS AGREEMENT IN WRITING ARE IN LIEU OF AND ARE EXCLUSIVE OF ALL

OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES. THE SELLERS HEREBY DISCLAIM ANY SUCH OTHER IMPLIED REPRESENTATIONS OR WARRANTIES, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE BUYER OR THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the following representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date:

4.1 *Organization and Standing.* Buyer is a corporation formed, validly existing and in good standing under the laws of the State of Delaware.

4.2 *Authorization and Binding Obligation.* Buyer has all necessary power and authority to enter into and perform its obligations under this Agreement and the documents contemplated hereby and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by Buyer. This Agreement constitutes (and each of the other documents contemplated hereby, when executed and delivered, will constitute) valid and binding obligations enforceable against Buyer in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

4.3 *Absence of Conflicting Agreements or Required Consents.* Except for the FCC Consent, the execution, delivery and performance of this Agreement by Buyer does not and will not: (a) violate any provision of the Buyer's organizational documents; (b) require the consent of any governmental authority; (c) violate any material law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination or acceleration of, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, lease, instrument, license or permit to which the Buyer is now subject.

4.4 *Absence of Litigation.* There is no claim, litigation, arbitration or proceeding pending or, to the Knowledge of Buyer, threatened, before or by any court, governmental authority or arbitrator relating to Buyer that seeks to enjoin or prohibit, or that could hinder or impair, the Buyer's performance of its obligations under this Agreement.

4.5 *Buyer's Qualifications.* Buyer represents that it is financially qualified, and financially capable, to consummate the transactions contemplated by this Agreement and is willing and able to certify to its financial qualifications on FCC Form 314. Buyer is qualified under the Communications Laws to be an assignee and licensee of FCC Licenses.

ARTICLE 5 COVENANTS

5.1 *Conduct of Business.*

(a) Affirmative Covenants of Sellers. During the period from the date of this Agreement until the Closing, subject to the TBA and except with the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, each Seller covenants and agrees that:

(i) Such Seller will notify Buyer in writing if such Seller has knowledge prior to the Closing of: (1) any representations or warranties contained in Article 3 hereof that are no longer true and correct in any material respect, (2) the occurrence of any other event that violates any covenants, conditions or agreements to be complied with or satisfied by Seller under this Agreement or (3) the commencement of any proceeding before the FCC involving any of the FCC Licenses, other than proceedings or litigation of general applicability to the television broadcasting industry, or the receipt of written communications from the FCC regarding the Option Assets or the FCC Licenses.

(ii) Such Seller will cause the Company to comply in all material respects with all Legal Requirements applicable to the Company's operations, and to operate and maintain its assets and properties in the ordinary course and in conformity with the FCC Licenses and the Communications Laws.

(iii) Such Seller will cause the Company to maintain its assets and properties in customary repair, maintenance and condition, except for wear and tear incurred in the ordinary course of business.

(iv) Such Seller will cause the Company to maintain in full force and effect the FCC Licenses and take any action necessary before the FCC, including the preparation and prosecution of applications for renewal of the FCC Licenses to preserve such licenses in full force and effect without material adverse change.

(b) Negative Covenants. During the period from the date of this Agreement until the Closing, subject to the TBA and except as contemplated by this Agreement or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, each Seller covenants and agrees that:

(i) Such Seller will cause the Company to not terminate, modify or amend any Contract or commit to any act or fail to take any action that would cause a breach of any such Contract except in the ordinary course of business consistent with past practice;

(ii) Such Seller will not create any Encumbrance other than Permitted Encumbrances on its Option Shares, and will cause the Company not to create any Encumbrances other than permitted Encumbrances on its assets and properties;

(iii) Such Seller will cause the Company to not materially adversely modify any of the FCC Licenses and to not change the Station's call letters; and

(iv) Such Seller will not sell, assign, lease or otherwise transfer or dispose of any of the Option Shares, and will, and will cause the Company to, comply in all material respects with the covenants contained in Section 6.4(n) through (s) of the Stock Purchase Agreement.

(c) Affirmative Covenants of Buyer. Buyer shall promptly notify Seller in writing if Buyer has knowledge prior to the Closing of (i) any representations or warranties contained in Article 4 hereof that are no longer true and correct in any material respect, or (ii) the occurrence of any other event that would result in a material violation of any covenants, conditions or agreements to be complied with or satisfied by Buyer under this Agreement.

ARTICLE 6 OTHER PROVISIONS

6.1 *Benefit and Assignment.* This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. Sellers may not assign their rights under this Agreement without the prior written consent of Buyer. Buyer may assign its rights in full or in part, with prior written notice to Sellers but without Sellers' consent, to any Person which is legally qualified to be the transferee of the FCC Licenses. Except as expressly provided in this Agreement, this Agreement is not intended to, nor shall it, create any rights in any person other than the Parties.

6.2 *Additional Documents.* The Parties agree to execute, acknowledge and deliver, before, at or after the Closing Date, such further instruments and documents as may be reasonably required to implement, consummate and effectuate the terms of this Agreement.

6.3 *Entire Agreement; Schedules; Amendment; Waiver.* This Agreement and the TBA embody the entire agreement and understanding of the Parties with respect to, and supersede any and all prior agreements, arrangements and understandings relating to, the matters provided for herein. No amendment of, or waiver of compliance with, any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the Party against whom enforcement of any waiver, amendment or consent is sought. No failure or delay on the part of Buyer or Sellers in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

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

6.5 *Computation of Time.* If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a federal holiday, then such time shall be extended to the next business day.

6.6 *Governing Law.* The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to any choice or conflicts of law

provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

6.7 Court Trial. Any litigation in connection with this Agreement shall be brought exclusively in the state or federal courts situated in the State of Delaware. Each of the Parties waives any defense of lack of jurisdiction or inconvenient forum to the maintenance of action or proceeding so brought in the courts in the State of Delaware, and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be serviced at the address and in the manner provided for in the giving of notices in Section 12.11. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY LITIGATION RELATIVE TO THIS AGREEMENT OR THE WARRANTIES, REPRESENTATIONS OR COVENANTS RELATED TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

6.8 Attorneys' Fees. In the event of any dispute between the Parties to this Agreement, Sellers or Buyer, as the case may be, shall reimburse the prevailing Party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing Party may have under this Agreement.

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

6.10 Notices. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be addressed to the following addresses or to such other address as any Party may request:

If to either Seller: Lombardo Communications II, Inc.
117 Pondfield Road
Bronxville, NY 10708
Attention: Philip J. Lombardo
Attention: Colleen Liebre

Copy to: Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004
Attention: David D. Burns

If to Buyer: Nexstar Broadcasting Group, Inc.

5215 N. O'Connor Blvd
Suite 1400
Irving, Texas 75039
Attention: Perry Sook
Attention: Elizabeth Ryder

Copy to: Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10028
Attention: Armand A. Della Monica

Any such notice, demand or request shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission if sent by facsimile, (c) on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or (d) on the date of a signed receipt if sent by an overnight delivery service.

6.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

6.12 Facsimile Signatures. The Parties agree that transmission to the other Party of this Agreement with its facsimile signature shall bind the Party transmitting this Agreement by facsimile in the same manner as if such Party's original signature had been delivered. Without limiting the foregoing, each Party who transmits this Agreement with its facsimile signature covenants to deliver the original thereof to the other Party as soon as possible thereafter.

[signature page follows]

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

"Sellers"

**LOMBARDO COMMUNICATIONS II,
INC.**

By: _____

Its: _____

**LYNCH ENTERTAINMENT
CORPORATION II**

By: _____

Its: _____

"Buyer"

NEXSTAR BROADCASTING, INC.

By: _____

Its: _____

