

ASSET PURCHASE AGREEMENT

by and between

GOCOM MEDIA OF NORTHERN CALIFORNIA, LLC

as Seller,

and

CALIFORNIA TV, LLC

as Buyer

Dated: July 10, 2015

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Exhibits

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ASSET PURCHASE AGREEMENT

This **Asset Purchase Agreement** (this “**Agreement**”), dated as of **July 10, 2015**, is made and entered into by and between **GOCOM Media of Northern California LLC**, a Delaware limited liability company (“**Seller**”), and **California TV, LLC**, a Delaware limited liability company (“**Buyer**”).

BACKGROUND:

Seller owns and operates television broadcast station KHSL-TV in Chico, California, FCC Facility ID No. 24508, and television translators K35JX-D, Westwood, California, FCC Facility ID No. 24501, K35LB-D, Lakeshore, California, FCC Facility ID No. 189720, and K49CT-D, Paradise, California, FCC Facility ID No. 24502 (collectively, “**KHSL**”).

K4 Media Holdings, LLC, a Delaware limited liability company (“**K4 Media**”), holds the licenses and authorizations issued by the FCC relating to television broadcast station KNVN, Chico, California, FCC Facility ID No. 33745 (“**KNVN**,” and together with KHSL, the “**Stations**”), along with certain assets used, useful or held for use in the business or operation of KNVN, including KNVN’s digital transmission equipment.

Seller owns certain other non-FCC related assets used in the operation of KNVN.

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

AGREEMENT:

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

1. Sale and Purchase of Assets.

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

1.2 Excluded Assets. Seller shall not transfer, assign or sell, and Buyer shall not purchase or acquire from Seller, any of the Excluded Assets.

1.3 Assumption of Liabilities.

(a) At the Closing, subject to the satisfaction of the conditions set forth in Section 7, Buyer shall assume, pay, perform and discharge all of the Assumed Liabilities. Buyer shall be entitled to assert any defense against a Third Party with respect to an Assumed

Liability. Seller shall make its representatives available at Seller's expense for consultation with Buyer as Buyer reasonably may request with respect to any facts in Seller's possession relevant to such defense relating to periods prior to the Closing upon reasonable notice, during normal business hours, and for reasonable periods of time.

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

2. Purchase Price.

2.1 Purchase Price. In consideration for the Assets, pursuant to the terms and subject to the conditions of this Agreement, at Closing Buyer shall (i) assume the Assumed Liabilities from Seller and (ii) pay to Seller the difference of **Thirty Nine Million Seven Hundred Seventy Five Thousand Dollars (\$39,775,000.00)** minus the KNVN Purchase Price (such difference, the "**Unadjusted Purchase Price**"), as adjusted pursuant to Section 2.2 and Section 2.4 (collectively, the "**Purchase Price**") as follows: (A) Buyer shall pay the difference of the Unadjusted Purchase Price minus the sum of the amounts of the Indemnity Escrow and the APA Deposit Escrow (such difference, the "**Base Purchase Price**"), subject to adjustment pursuant to Section 2.2 and Section 2.4, by wire transfer of immediately available United States federal funds in accordance with the written instructions of Seller delivered to Buyer; (B) Buyer shall pay the Indemnity Escrow in cash to the Deposit Escrow Agent pursuant to Section 2.3; and (C) the APA Deposit Escrow, and at the election of the Buyer, the portion of the interest and earnings thereof specified by the Buyer as a further credit against the Base Purchase Price, shall be paid by the Escrow Agent to the Seller, by wire transfer of immediately available United States federal funds in accordance with the written instructions by Seller delivered to Buyer and Escrow Agent. On the date hereof, Buyer has delivered the APA Deposit Escrow to the Deposit Escrow Agent to hold in accordance with and subject to the terms of this Agreement and the Deposit Escrow Agreement.

2.2 Prorations as of Closing.

(a) Subject to the provisions of paragraph (b) below, the Base Purchase Price shall be subject to adjustment to reflect the principle that all revenues, expenses, costs and Liabilities (other than Retained Liabilities) arising from the ownership and operation of the Assets and the business of the Stations, including, without limitation, tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets and rebates thereof, property and equipment rentals, sales commissions or other fees payable, applicable copyright or other fees, including sales and service charges, Taxes (except for Taxes arising from the transfer of the Assets pursuant to this Agreement and except for a party's income Taxes), any accrued expenses, FCC regulatory fees, music and other license fees and similar prepaid and deferred items, shall be prorated between Buyer and Seller to effect the principle that Seller shall receive all revenues and shall be responsible for all expenses, costs and Liabilities arising from the ownership and operation of the Assets and allocable to the business of the Stations for the period ended immediately prior to the Effective Time (other than the Assumed Liabilities), and Buyer shall receive all revenues and shall be responsible for all

expenses, costs and Liabilities arising from the ownership and operation of the Assets and allocable to the business of the Stations for the period commencing immediately on and after the Effective Time (other than the Retained Liabilities).

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

(i) In no event shall Buyer be liable for any accrued but unused paid time off;

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

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

(iv) With respect to Seller's barter and trade agreements, an adjustment and proration shall be made in favor of Buyer only to the extent that the aggregate amount of any advertising time remaining, as of the Effective Time, to be run by the Stations thereunder on and after the Effective Time exceeds the aggregate fair market value of the goods or services to be received by the Stations on and after the Effective Time thereunder as of the Effective Time by Twenty Five Thousand Dollars (\$25,000). In determining barter balances, the value of air time shall be based upon Seller's rates as of the Effective Time, and corresponding goods or services shall include those to be received by the Stations after the Effective Time plus those received by the Stations before the Effective Time to the extent conveyed by Seller to Buyer as part of the Assets. There shall be no proration in favor of Seller under this Section 2.2 to the extent there is an aggregate positive barter balance with respect to barter and trade agreements.

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

2.3 Indemnity Escrow. At the Closing, Buyer will deposit with Illinois National Bank (the "**Escrow Agent**"), as escrow agent pursuant to an escrow agreement

substantially in the form of **Exhibit 2.3** the (“**Indemnity Escrow Agreement**”) **Two Million Six Hundred Sixty Six Thousand (\$2,660,000)** in cash (the “**Indemnity Escrow**”) by wire transfer of immediately available United States federal funds. The Indemnity Escrow will serve for a period of one (1) year from Closing as a source of payment of indemnification obligations of Seller pursuant to Section 9. The Escrow Agent will hold the Indemnity Escrow to be distributed pursuant to the terms of the Indemnity Escrow Agreement and this Agreement. On the date that is one (1) year after the Closing Date, the full amount of the Unclaimed Indemnity Escrow shall be released to Seller in accordance with the terms of the Indemnity Escrow Agreement. Buyer and Seller shall promptly deliver such instructions to the Escrow Agent as may be necessary to disperse the Indemnity Escrow in accordance with the terms of this Agreement. Prior to the distribution of the Indemnity Escrow to Seller, the Buyer Indemnified Parties shall be obligated to first pursue and exhaust the Indemnity Escrow as the source of payment of indemnification obligations of Seller pursuant to Section 9.2(a)(i) for a breach of the Fundamental Representations or Section 9.2(a)(iii) before seeking payment therefor from the guarantors under the Guarantee. Notwithstanding the foregoing, to the extent Buyer Indemnified Parties are claiming in good faith indemnification from Seller for Losses incurred pursuant to Section 9.2(a)(i) for a breach of the Fundamental Representations or Section 9.2(a)(iii), in either case, in an amount in excess of the Indemnity Escrow, Buyer Indemnified Parties may proceed directly against the guarantors under the Guarantee for such excess amounts without first exhausting the Indemnity Escrow.

2.4 Adjustment to Purchase Price.

(a) Determination of Estimated Purchase Price Adjustment Statement. Seller shall prepare and deliver to Buyer a written statement of its good faith estimate of any prorations required by Section 2.2(a) and the Purchase Price based thereon (the “**Estimated Purchase Price Adjustment Statement**”) no fewer than five (5) days prior to the Closing Date. The Estimated Purchase Price Adjustment Statement shall be prepared on the same basis and applying the same accounting principles, policies and practices that were used in preparing the Financial Statements, the significant principles of which are described in the notes to the audited Financial Statements, and **Schedule 2.4(a)** contains a sample statement of the Estimated Purchase Price Adjustment Statement with a hypothetical date of Closing of October 1, 2015, it being acknowledged and agreed, for the avoidance of doubt, that, for purposes of this Section 2.4, the Estimated Purchase Price Adjustment Statement shall exclude: (i) any proration of income or expense with regard to Accounts Receivable; and (ii) all allowances for bad debts. Seller will afford Buyer reasonable access to all records and work papers used in preparing the Estimated Purchase Price Adjustment Statement, and Buyer will notify Seller of any good faith disagreement with such calculation within three (3) days of receiving the Estimated Purchase Price Adjustment Statement.

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

(c) Determination of Final Purchase Price Adjustment Statement.

Within ninety (90) days after the Closing Date, Buyer shall determine, and deliver to Seller a written statement of, any prorations required by Section 2.2(a) and the Purchase Price based thereon (the “**Final Purchase Price Adjustment Statement**”) using the same methodology and the same accounting principles, policies and practices as were used for the Estimated Purchase Price Adjustment Statement, including, for the avoidance of doubt, the exclusion of: (i) all Accounts Receivables; and (ii) all allowances for bad debts. Buyer will afford Seller reasonable access to all records and work papers used in preparing the Final Purchase Price Adjustment Statement.

(d) Disputes. If within thirty (30) days following delivery of the Final

Purchase Price Adjustment Statement, Seller has not given Buyer written notice of its objection to any calculation contained therein (which notice shall state the reasonable basis of Seller’s objection and specifying the amount of the dispute), then the Final Purchase Price Adjustment Statement and the Purchase Price set forth therein calculated by Buyer shall be binding and conclusive on the parties. If, on the other hand, Seller duly gives Buyer such written notice of objection, and if Seller and Buyer fail to resolve the issues outstanding contained in the Final Purchase Price Adjustment Statement within thirty (30) days of Buyer’s receipt of Seller’s objection notice, Seller and Buyer shall submit the issues remaining in dispute to Cherry Bekaert (or, in the event such firm is no longer in existence or is no longer independent with respect to one or both of the parties, such other firm of independent certified public accountants as the parties shall mutually agree) (the “**Independent Accountants**”) for resolution applying the principles, policies and practices referred to in Section 2.2 and Section 2.4(a). If issues are submitted to the Independent Accountants for resolution, then (i) Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed issues as the Independent Accountants may reasonably request and as are available to that party or its agents and shall be afforded the opportunity to present to the Independent Accountants any material relating to the disputed issues and to discuss the issues with the Independent Accountants; (ii) except as Buyer and Seller may otherwise agree, all communications between any party or its respective Representatives, on the one hand, and the Independent Accountants, on the other hand, will be in writing with correct and complete copies simultaneously delivered to the non-communicating party; (iii) the determination by the Independent Accountants, as set forth in a notice to be delivered to both Seller and Buyer within sixty (60) days of the submission to the Independent Accountants of the issues remaining in dispute, shall be final, binding and conclusive on the parties (absent manifest error) and shall be used in the calculation of the Purchase Price; and (iv) the fees, costs and expenses of the Independent Accountants shall be borne by the parties in inverse proportion, as determined by the Independent Accountants, as they may prevail on the matter resolved by the Independent Accountants.

(e) Final Purchase Price Adjustment. The Purchase Price, as adjusted

pursuant to Section 2.4(d), shall be further increased or decreased by the amount, if any, by which the Purchase Price set forth in the Final Purchase Price Adjustment Statement is greater than or less than, respectively, the Purchase Price set forth in the Estimated Purchase Price Adjustment Statement (the “**Final Purchase Price Adjustment**”). If the Purchase Price set forth in the Final Purchase Price Adjustment requires a decrease in the Base Purchase Price, then such adjustment shall be effected by a payment in cash by Seller to Buyer within five (5) Business

Days after the final determination of the Final Purchase Price Adjustment. If the Purchase Price set forth in Final Purchase Price Adjustment requires an increase in the Base Purchase Price, then such adjustment shall be effected by payment in cash by Buyer to Seller within five (5) Business Days after the final determination of the Final Purchase Price Adjustment.

2.5 Allocation of Purchase Price. Seller and Buyer shall use commercially reasonable efforts to agree, within one hundred twenty (120) days after the Closing Date, on the allocation of the Purchase Price (and other amounts, including Assumed Liabilities, taken into account as purchase price for income Tax accounting purposes) among the Assets in accordance with the requirements of Section 1060 of the Code, and the Treasury Regulations thereunder. If the parties hereto reach agreement with respect to such allocation, then the parties agree to (i) jointly complete and separately file IRS Forms 8594 with their respective federal income Tax Returns for the Tax year in which the Closing Date occurs, and (ii) not take a position on any income Tax Return that is inconsistent with the terms of any such allocation without the written consent of the other parties. If the parties do not reach agreement with respect to such allocation, then each party shall make its own determination of such allocations for financial and Tax reporting purposes. The parties shall promptly advise each other of the existence of any Tax audit or Litigation related to any allocation hereunder.

3. Closing.

3.1 Date of Closing. The consummation of the transactions contemplated by this Agreement (the “**Closing**”) shall occur on the Closing Date, but in any event no later than the Outside Termination Date, and shall be held at the offices of Seller’s counsel at 10:00 a.m. local time, or at such other time and place as Seller and Buyer may mutually agree. Notwithstanding the actual time the deliveries of the parties are made on the Closing Date, the parties agree that the Closing shall be effective and deemed for all purposes to have occurred as of 12:01 a.m., local time in Chico, California, on the Closing Date (the “**Effective Time**”).

3.2 Outside Date for Closing. If the Closing has not occurred by the Outside Termination Date, then either Seller or Buyer may terminate this Agreement in accordance with Section 10.1(f) subject to the terms and conditions of Section 10. If the Closing is postponed pursuant to Section 11, then the date referred to in the previous sentence shall be extended by the period of such permitted postponement. “**Outside Termination Date**” shall mean the two hundred seventy-fifth (275th) day following the date of this Agreement if a third Person has not filed an objection or petition to deny with respect to the Assignment Application, or the first (1st) anniversary of the date of this Agreement if a third Person has filed an objection or petition to deny with respect to the Assignment Application.

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

4.1 Organization, Standing and Foreign Qualification.

(a) Seller is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Delaware with the power and authority to carry on the business of KHSL and to own, lease and operate the Assets owned, leased and

operated by it, and is qualified to do business as a foreign limited liability company in the State of California.

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

4.3 Validity of Contemplated Transactions, Restrictions. Except as disclosed on **Schedule 4.3**, the execution, delivery and performance of this Agreement and the Seller Other Agreements by Seller and the consummation of the transactions contemplated hereby or thereby, will not (i) violate any provision of the certificate of formation or the limited liability agreement of Seller, (ii) subject to obtaining the FCC Consent, violate, in any Material respect, any Law or Order relating to Seller, KHSL or the Assets, (iii) result in a Default under, or require the consent or approval of any party to, any Material Business Contract or any Material License of Seller related to the Stations, (iv) result in the creation or imposition of any Lien on any of the Assets, other than Permitted Liens; or (v) require the consent or approval of, or any Material notice to, any Governmental Authority, except as set forth in Section 6.1, including the FCC Consent.

4.4 Books and Records. The books of account and other financial Records of Seller pertaining to the ownership and operation of KHSL or the Assets, all of which have been made available to Buyer, are correct in all Material respects and represent actual, bona fide transactions and have been maintained in all Material respects in accordance with sound business practices using a standard system of accounting administered on a consistent basis; provided, however, that the reflection in any of the Financial Statements of judgments involving items of financial accounting shall be governed exclusively by the representations and warranties set forth in Section 4.5. The redacted minute book of Seller, which have been made available to Buyer, contains accurate and complete Records (other than with respect to the portions that are redacted) of all limited liability company action taken by the members and the manager by written consent, and there have been no meetings of such members and the manager for which minutes have not been prepared or are not contained in such minute book.

4.5 Financial Statements. Attached as **Schedule 4.5** are true, correct and complete copies of all of the Financial Statements. The Financial Statements are audited, other than the Interim Financial Statements, which are unaudited and (a) have been prepared from and

in a manner consistent with the books and records of Seller and K4 Media, as applicable, in accordance with GAAP applied on a basis consistent throughout the periods covered thereby, (b) present fairly, in all Material respects, the financial position of Seller and K4 Media, as applicable, as of the dates indicated and the results of its or their operations and their cash flows for the periods then ended, provided that Interim Financial Statements are subject to normal year-end adjustments, do not include statements of cash flow and lack footnotes and other presentation items, and (c) reflect reserves, if any, in conformity with GAAP.

4.6 Absence of Undisclosed Liabilities. Seller has no Undisclosed Liabilities related to the Stations or to which the Assets are subject, except for Liabilities incurred since the Interim Balance Sheet Date in the ordinary course of business consistent with past practice.

4.7 Absence of Changes. Except as disclosed on **Schedule 4.7** (or permitted in accordance with Section 6.2 with respect to matters occurring after the date hereof, but prior to the Closing Date), since the Interim Balance Sheet Date through the date hereof: (a) the business of KHSL has been carried on only in the ordinary course consistent with past practices; (b) there has been no Material Adverse Change, and, to Seller's Knowledge, there has been no event or circumstance that alone, or in combination with any other event or circumstance, is reasonably likely to result in a Material Adverse Change; (c) Seller has not made any Material change in any method of accounting or any accounting principle, policy or practice with respect to KHSL and the Assets; (d) Seller has not canceled, Materially modified or granted any Material waiver under, without receiving payment or performance in full, except for adjustments to Accounts Receivable in the ordinary course of business, any (i) Material Liability owed to Seller with respect to KHSL and the Assets, including any Accounts Receivable of Seller from any Affiliate or any Related Party to an Affiliate, (ii) Material Litigation Seller may have against other Persons with respect to KHSL or the Assets, or (iii) other Material rights of Seller with respect to KHSL or the Assets; (e) Seller has not (i) made any Material adverse amendment to or terminated any Material Business Contract or Material License with respect to KHSL or the Assets, (ii) made any increase in compensation paid, payable or to become payable by Seller to its employees of KHSL, or created or amended any Employee Benefit Plan, outside of the ordinary course of business consistent with past practices, (iii) incurred Material loss of or to any of the Assets, (iv) sold, assigned, leased or otherwise transferred or disposed of any tangible or intangible assets used or held for use in the operations of the Stations, except for immaterial assets in the ordinary course of business consistent with past practices, inventory sold in the ordinary course of business or obsolete assets not used or held for use in Seller's business, or (v) lowered the advertising rates of KHSL in a manner not consistent with past practices or reflective of current market conditions; (f) there has been no Material change in cable carriage or channel position on any cable or DBS system on which KHSL is carried; (g) there has been no Material transaction between Seller, on one hand, and any officer or the manager of Seller or its Affiliates, on the other hand, other than on an arms' length basis; and (h) there has been no agreement or arrangement to take any of the actions specified in this Section 4.7, except as expressly contemplated by this Agreement.

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

(a) Seller has filed with the appropriate taxing authorities all Material Tax Returns required to be filed through the date hereof, and all such Tax Returns were correct

and complete in all Material respects and were prepared in compliance in all Material respects with all applicable Laws and regulations. Seller has paid all Taxes required to be paid by it, other than Taxes not yet due and Taxes being contested in good faith by appropriate proceedings and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Financial Statements or the Interim Financial Statements.

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

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

(d) Seller has withheld and paid all Taxes required to have been withheld and paid by it in connection with amounts paid or owing to any employee, independent contractor, creditor, member, or other Third Party.

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

4.9 Title to Assets; Encumbrances; Condition.

(a) Except as set forth on **Schedule 4.9**, Seller has good title, valid leasehold interests or valid legal rights, as applicable, to all of the Assets free and clear of any and all Liens, except for Permitted Liens. Except for the Excluded Assets, the Assets, (i) include all assets that are owned or leased by Seller or any Affiliate of Seller that are primarily related to the business and operation of the Stations as currently operated and (ii) collectively, constitute all of the assets reasonably necessary for the business and operation of the Stations, other than the K4 Media Assets that relate to KNVN, immediately following the Closing in substantially the same manner as presently operated.

(b) Each Material Improvement and each Material item of tangible Personal Property is adequate for its present and intended uses and operation, given the age of such property and the use to which such property is put and except to the extent of normal wear and tear and is usable in the ordinary course of business consistent with past practices.

4.10 Real Property.

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

(b) Each of the Leases to which Seller is a party relating to the Stations is accurately identified (including the address of the Leased Real Property, if applicable) on **Schedule 4.10(b)**, and each Lease is in full force and effect, and there exists no Material Default on the part of Seller under any such Lease, nor, to the Knowledge of Seller, by any Third Party to such Lease. Seller has provided or made available to Buyer true and correct copies of such Leases for the Leased Real Property, including all amendments, schedules, addendum and exhibits thereto.

(c) Except as disclosed on **Schedule 4.10(c)**, (i) each parcel of Real Property has direct access to and from such parcel of Real Property and publicly dedicated streets, roads or highways, and (ii) such access is not dependent on any land or other real property interest (including, without limitation, an easement or license interest) that is not included in the Real Property.

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

(e) As of the Closing Date, (i) there will be no unrecorded Contracts affecting the Owned Real Property or any part thereof, except for those Contracts identified on **Schedule 4.20(a)(i)**, and (ii) there will be no Persons in possession of the Owned Real Property or any part thereof other than Seller, K4 Media and the tenants under any Leases.

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

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

(h) **Schedule 4.10(h)** contains a list as of the date hereof of all title insurance policies held or owned by Seller relating to the Real Property. Copies of all such title insurance policies have been delivered or made available to Buyer by Seller.

4.11 Personal Property.

(a) **Schedule 4.11(a)** contains a correct and complete list of each item of Personal Property that has an original cost in excess of \$50,000. Except as disclosed on **Schedule 4.11(a)**, neither such Personal Property nor any of Seller's right, title or interest therein is affected by any Lien of any nature whatsoever that will, or potentially could, terminate or otherwise adversely affect such Personal Property or any of Seller's right, title and interest therein, other than Permitted Liens.

(b) **Schedule 4.11(b)** contains a correct and complete description of all Leased Personal Property as of the date hereof. Except as disclosed on **Schedule 4.11(b)**, neither the Leased Personal Property nor any of Seller's right, title or interest therein is affected by any Lien that will, or potentially could, terminate or otherwise adversely affect such Leased Personal Property or any of Seller's right, title and interest therein, other than Permitted Liens.

4.12 Intellectual Property. **Schedule 4.12** contains a correct and complete list of all of the Registered Station Intellectual Property, all of the call letters for KHSL and any Material common law trademarks related to the Stations. With regard to all Registered Station Intellectual Property, **Schedule 4.12** shall specify (i) the name of the applicant or registrant of record and the current owner, (ii) the jurisdiction where the application or registration is located (or, in the case of domain names, the registrars with which such domain names are registered), (iii) the application or registration number, (iv) the filing date and issuance, registration, or grant date, and (v) the prosecution or registration statue. All Material Licenses granting any rights with respect to Material Station Intellectual Property are in full force and effect and constitute legal, valid and binding obligations of Seller, and to the Knowledge of Seller, the other respective parties thereto. There have not been and there currently are not any Material Defaults thereunder by Seller or, to the Knowledge of Seller, any other party thereto. Neither Seller, nor to its Knowledge, any of its Affiliates has, in connection with the business of the Stations, in any Material respect, violated, infringed upon or unlawfully or wrongfully used the Intellectual Property of others. No Material Station Intellectual Property, as used in the business of the Stations, in any Material respect, infringes upon or otherwise violates the rights of others, and no Person has asserted in writing to Seller within the twelve (12) months immediately preceding the date of this Agreement a bona-fide claim of such infringement or misuse. Seller has used commercially reasonable efforts to enforce, maintain and protect its interests in and to Station Intellectual Property. Seller has all right, title and interest in (or, subject to the terms of any applicable License, the right to use) the Station Intellectual Property, including the Registered Station Intellectual Property identified on **Schedule 4.12**. All Material patents, trademarks, trade

names, service marks, assumed names, and copyrights and all registrations thereof included in the Registered Station Intellectual Property are valid, subsisting and in full force and effect.

4.13 Capitalization. Seller has issued and outstanding the following equity interests: 2,857,500 “Class A Units” and 1000 “Class B Units”, which constitute all the issued and outstanding equity interests in Seller (the “Units”). All of the Units have been duly authorized, are validly issued, and are owned of record and beneficially by the Persons set forth on **Schedule 4.13** (such Persons, collectively, the “Unitholders”). The Unitholders are and will be on the Closing Date the record and beneficial owners and holders of the equity interests in Seller, owned free and clear of all Liens except as provided on **Schedule 4.13**. There are no Contracts relating to the issuance, sale or transfer of any equity securities or other securities of Seller except as provided on **Schedule 4.13**. None of the outstanding equity securities of Seller was issued in violation of the Securities Act of 1933, as amended (the “**Securities Act**”), or any other applicable Law.

4.14 Insurance.

(a) **Schedule 4.14(a)** contains a complete and accurate list of all insurance policies held or owned by Seller relating to the business of KHSL or the Assets and now in force, and such schedule indicates the name of the insurer, the type of policy, the term of each policy, and the amounts of coverage and deductible in each case and all outstanding claims thereunder. Correct and complete copies of all such policies have been delivered or made available to Buyer by Seller on or before the date of this Agreement. All such policies are in full force and effect and enforceable in accordance with their terms, except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors’ rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Seller is not now in Material Default regarding the provisions of any such policy, including failure to make timely payment of all premiums due thereon, and has not failed to give any notice of or present any Material claim thereunder in due and timely fashion.

(b) There are no self-insurance arrangements by Seller.

(c) With respect to any insurance policies held or owned by Seller relating to the business of KHSL or the Assets, **Schedule 4.14(c)** sets forth, by year, for the current policy year and any preceding policy year: (i) a summary of the loss experienced under each policy of insurance; and (ii) a statement describing each claim under a policy of insurance for an amount in excess of Fifty Thousand Dollars (\$50,000) which sets forth: (A) the name of the claimant; (B) a description of the policy by insurer, type of insurance and period of coverage; and (C) the amount and a brief description of the claim.

4.15 Bonds, Letters of Credit and Guarantees. **Schedule 4.15** contains a complete and accurate list as of all bonds, letters of credit, and guarantees issued by Seller, its members or any Third Party for the benefit of Seller or relating to Seller or the business of KHSL

or the Assets and now in force or outstanding. Such **Schedule 4.15** contains a summary of the terms, amount, cost and reason for issuance of each such bond, letter of credit and guarantee, correct and complete copies of which have been delivered or made available to Buyer by Seller on or before the date of this Agreement. All such bonds, letters of credit and guarantees are in full force and effect and enforceable against Seller, and to the Knowledge of Seller, enforceable against any Third Party thereof in accordance with their terms, except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Neither Seller nor, to the Knowledge of Seller, any other party thereto is in Material Default regarding the provisions of any such bond, letter of credit or guarantee, including the failure to make timely payment of all premiums and fees due thereon, and Seller has not failed to give any notice or present any claim thereunder in due and timely fashion.

4.16 Compliance with Law.

(a) Except as set forth on **Schedule 4.16(a)**, Seller is in compliance in all Material respects with all Laws, Licenses and Orders applicable to, required of or binding on Seller with respect to KHSL, the business of KHSL, or the Assets, including the FCC Licenses and the Communications Act of 1934, as amended (including, *inter alia*, by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, and the rules, regulations, and published policies of the FCC, US telecommunications regulatory agencies (such as public service or utilities commissions) and related interpretations by the federal courts, any state or local telecommunications laws and any applicable laws, rules, regulations and Orders of any applicable state, territorial or foreign public utility commission (the "**Communications Laws**"). Seller is qualified to hold all of the FCC Licenses with respect to KHSL.

(b) Except as set forth on **Schedule 4.16(b)**, Seller holds all Licenses, other Material permits and authorizations necessary for or used in the operations of KHSL, including all consents, approvals, permits and licenses required or issued by applicable state or federal telecommunications regulatory agencies, including the FCC, and each of the FCC Licenses is, and all such permits and authorizations are, valid and in full force and effect and each has not been suspended, revoked, canceled or adversely modified. Seller is not subject to any FCC "red light" status, and all regulatory fees required to be paid to the FCC by Seller with respect to KHSL have been timely paid. **Schedule 1.1(a)** contains a true and complete list of the FCC Licenses and Antenna Structure Registrations currently in effect and all such permits and authorizations (showing, in each case, the expiration date). Seller has (i) submitted a registration to FCC's Antenna Structure Registration Database and (ii) obtained and holds an Antenna Structure Registration number for each of those antenna structures used in the business of KHSL for which Seller is the antenna structure owner and for which such a registration is required to comply with Section 17 of the FCC rules. Except as set forth on **Schedule 4.16(b)**, no action or proceeding, except for rule making proceedings and other proceedings generally applicable to the television industry, is pending for the renewal or modification of any of the FCC Licenses or

any of such permits or authorizations, and to the Knowledge of Seller no application, action, proceeding, investigation or complaint is pending or threatened in writing that could reasonably be expected to result in (i) the imposition of any administrative or judicial sanction with respect to KHSL that may Materially adversely affect the rights of Buyer under any such FCC Licenses, permits or authorizations, (ii) the denial of the application for the renewal of the FCC Licenses, (iii) the revocation, modification, nonrenewal or suspension of any of the FCC Licenses or any of such permits or authorizations, or (iv) the issuance of a cease-and-desist Order. Except as set forth in **Schedule 4.16(b)**, there is not issued or outstanding any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Seller's Knowledge, threatened against Seller or KHSL by or before the FCC. Seller has the right to the use of the call letters "**KHSL-TV**" pursuant to the rules and regulations of the FCC. All Material returns, reports and statements required to be filed by Seller with the FCC relating to KHSL have been filed and complied with and are complete and correct in all Material respects as of the date specified in such return, report or statement.

(c) The operation of KHSL does not expose workers or others to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a "major action" within the meaning of Section 1.1301, *et seq.*, of the FCC's rules.

(d) Seller has not leased, licensed, assigned, conveyed or otherwise encumbered KHSL's digital spectrum or any portion thereof or granted rights to any party to broadcast on KHSL's digital spectrum or any portion thereof for the provision of any "ancillary or supplementary services" (as the term is defined by the Communications Laws).

(e) To Seller's Knowledge, there currently exists no interference to KHSL's signal from other broadcast stations, or from KHSL's signal to other broadcast stations, in each case beyond that permitted by the FCC's rules and policies and, to Seller's Knowledge, there are no applications or proceedings pending at the FCC the grant of which would cause objectionable interference to KHSL's operations with its current facilities, other than what might arise as a result of proceedings that generally affect the television broadcast industry.

4.17 Environmental. Except as set forth in **Schedule 4.17**:

(a) To the Knowledge of Seller, there are no Environmental Claims (or any Litigation against any Person whose Liability, or any portion thereof, for Environmental Matters or under any Environmental Laws Seller has or may have retained or assumed contractually or by operation of law) pending or threatened with respect to (i) the ownership, use, condition or operation of the business of KHSL, the Assets, or the Real Property, or (ii) any violation or alleged violation of or Liability or alleged Liability under any Environmental Law or any Order related to Environmental Matters. There are neither existing violations by Seller, nor, to the Knowledge of Seller, by any other party, of (i) any Environmental Law, or (ii) any Order related to Environmental Matters, with respect to the ownership, use, condition or operation of the business of KHSL, the Assets, or the Real Property. To the Knowledge of Seller, there are no past or present actions, activities, circumstances, conditions, events or incidents at or arising

from the Real Property, including any Environmental Matters, that could form the basis of (i) any claim against Seller, or (ii) any Litigation against any Person whose Liability (or any portion thereof) for Environmental Matters or under any Environmental Laws Seller has or may have retained or assumed contractually or by operation of Law.

(b) Seller has not used any of the Assets or Real Property for the handling, treatment, storage, or disposal of any Hazardous Substances other than standard cleaning products used in the ordinary course and in accordance with their instructions.

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

(d) All underground tanks and other underground storage facilities presently located at any Owned Real Property of which Seller has Knowledge are listed in **Schedule 4.17**. Except as set forth on **Schedule 4.17**, to the Knowledge of Seller, none of such underground tanks or facilities is leaking or has ever leaked.

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

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

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

(h) Without limiting the generality of any of the foregoing, all on-site and off-site locations where Seller has, stored, disposed or to the Knowledge of Seller arranged for the disposal of Hazardous Substances removed from the Real Property are identified in **Schedule 4.17**.

(i) **Schedule 4.17** lists all environmental site assessments and other studies in Seller's possession relating to the investigation of the possibility of the presence or existence of any Environmental Matter with respect to the business of KHSL, the Assets or any of the Real Property, and Seller has previously delivered or made available to Buyer a copy of each such assessment and study.

(j) Notwithstanding any other provision of this Agreement, Buyer acknowledges and agrees that the representations and warranties contained in Section 4.17 are the only representations and warranties given by Seller with respect to Environmental Laws, Environmental Matters or Environmental Claims.

4.18 Litigation and Claims. Except as disclosed on **Schedule 4.16** or **Schedule 4.18**:

(a) There is no Litigation pending or, to the Knowledge of Seller, threatened against Seller;

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

(c) None of the pending or threatened Litigation disclosed on **Schedule 4.18**, if any, if adversely determined, would individually or in the aggregate result in a Loss in excess of \$50,000 or would give rise to any claim, recourse or right of indemnification against Buyer as the successor to the Assets or the business of KHSL;

(d) Except for matters pertaining to the FCC or Communications Laws, which are addressed in **Section 4.16**, to the Knowledge of Seller, there are no pending or, to the Knowledge of Seller, threatened in writing investigations or inquiries directed to Seller, the Assets or the business of KHSL by any Governmental Authority. **Schedule 4.18** describes all Material inspection reports, questionnaires, inquiries, demands, requests for information, and claims of violations or noncompliance with any Law received by Seller with respect to KHSL during the two (2) years prior to the date hereof from any Governmental Authority and all written statements or responses of Seller with respect thereto.

(e) No Litigation has been pending against Seller during the two (2) years prior to the date hereof that, individually or in the aggregate, resulted in a Loss in excess of \$50,000 or granted any injunctive relief against Seller.

4.19 Employee Benefit Plans.

(a) **Schedule 4.19(a)** contains a true, correct and complete list of all Employee Benefit Plans and identifies any such Employee Benefit Plan that is (w) a "Defined Benefit Plan" within the meaning Section 414(l) of the Code); (x) a plan intended to meet the requirements of Section 401(a) of the Code; (y) a "Multiemployer Plan" (as defined in Section 3(37) of ERISA); or (z) a plan subject to Title IV of ERISA, other than a Multiemployer Plan. Also set forth on **Schedule 4.19(a)** is a complete and correct list of all ERISA Affiliates of Seller during the last six (6) years.

(b) True, correct and complete copies of the following have been made available to Buyer: (i) each Employee Benefit Plan listed on **Schedule 4.19(a)**, (ii) all current collective bargaining agreements to which Seller is a party, (iii) all trust agreements, insurance contracts or any other funding instruments related to the Employee Benefit Plans, (iv) all rulings, determination letters, no-action letters or advisory opinions from the IRS, (v) all contracts with third-party administrators, actuaries, investment managers, consultants and other independent contractors that relate to any Employee Benefit Plan, (vi) with respect to Employee Benefit Plans that are subject to Title IV of ERISA, the Form PBGC-1 filed for each of the three most recent plan years and (vii) all summary plan descriptions, summaries of Material modifications and memoranda, employee handbooks and other written Material communications regarding the Employee Benefit Plans.

(c) Except as set forth in **Schedule 4.19(c)**:

(i) each such Employee Benefit Plan has been administered in compliance with its own terms and in compliance in all Material respects with all applicable Laws. All required contributions for each Employee Benefit Plan have been timely made. There are no Undisclosed Liabilities in respect of the Employee Benefit Plans with respect to which Buyer could be liable;

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

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

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

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

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

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

(d) Except as set forth in **Schedule 4.19(d)**, no Employee Benefit Plan provides severance benefits to current or former Station Employees.

(e) Except as set forth in **Schedule 4.19(e)**, the consummation of the transactions contemplated hereby, either alone or in combination with another event, will not (i) entitle any Station Employees to any payment, (ii) increase the amount of compensation due to any Station Employee, (iii) increase the amount due to any Station Employee under any Employee Benefit Plan, (iv) accelerate the time of vesting of any compensation, stock incentive or other benefit (except as required by Section 6.8(e)) or (v) result in any “parachute payment”

under Section 280G of the Code whether or not such payment is considered to be reasonable compensation for services rendered.

(f) Except as set forth in **Schedule 4.19(f)**, Seller has no liability with respect to an obligation to provide benefits, including death or medical benefits (whether or not insured) with respect to any Station Employee or former Station Employee beyond his or her retirement or other termination of service other than (i) coverage under COBRA, or (ii) disability benefits under any employee welfare plan that have been fully provided for by insurance.

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

(h) Each Employee Benefit Plan and each other agreement, contract, plan, or other arrangement to which Seller is a party that is a “nonqualified deferred compensation plan” subject to Section 409A of the Code (collectively, a “**Plan**”) complies, in all Material respects, in form and operation with the requirements of Section 409A of the Code and any U.S. Department of Treasury or IRS guidance issued thereunder (“**Code Section 409A**”). No amounts under any such Plan are or have been subject to the interest and additional tax set forth under Code Section 409A(a)(1). Seller does not have any current formal or informal obligation to reimburse or otherwise “gross up” any Person for the interest or additional tax set forth under Code Section 409A(a)(1)(B).

4.20 Contracts.

(a) Description.

(i) Real Property. **Schedule 4.20(a)(i)** is a list or, with respect to oral Contracts, a brief description of, all Material Contracts affecting or relating to the Owned Real Property, other than the income or other Leases described in **Schedule 4.10(b)**.

(ii) Leased Personal Property. **Schedule 4.20(a)(ii)** is a list of, or, with respect to oral Contracts, a description of all Contracts affecting or relating to Leased Personal Property with a value in excess of \$20,000, including Contracts evidencing Liens thereon and including those referred to in **Schedule 4.9**.

(iii) Purchase Orders–Non-Capital Assets. **Schedule 4.20(a)(iii)** is a list of all outstanding Contracts for the acquisition or sale of goods, Assets or services that relate to the business of KHSL or the Assets (other than purchase orders or other commitments for the acquisition of capital assets and orders, commitments or Contracts with advertisers and other than purchase orders and other commitments that do not exceed \$20,000 each).

(iv) Purchase Orders – Capital Assets. **Schedule 4.20(a)(iv)** is a list of all outstanding Contracts for the acquisition of capital assets that relate to the business of KHSL or the Assets (other than purchase orders and other commitments that do not exceed \$20,000 each).

(v) Employment; Other Affiliate Contracts. **Schedule 4.20(a)(v)** contains a list or, with respect to oral Contracts, a brief description of, all Contracts with any employee, officer, agent, consultant, sales representative, distributor, dealer or Affiliate of Seller that relate to the business of KHSL or the Assets (other than those entered into in the ordinary course of business consistent with past practice that are terminable at will by Seller without any Liability).

(vi) Sales Representatives. **Schedule 4.20(a)(vi)** is a list or brief description of all Contracts with any agent, broker, sales representative of, or any Person in a similar representative capacity for, Seller that relate to the business of KHSL or the Assets.

(vii) Powers of Attorney. **Schedule 4.20(a)(vii)** is a list of, or, with respect to oral Contracts, a brief description of all powers of attorney given by Seller, whether limited or general, to any Person continuing in effect that relate to any of the Assets or the business of KHSL.

(viii) Programming and Network Affiliation Agreements. **Schedule 4.20(a)(viii)** is a list of, or, with respect to oral Contracts, a brief description of all network affiliation agreements of Seller and all Programming Agreements, including for each of those agreements the amounts and availability dates of programming and the dollar amount and schedule of any payments thereunder.

(ix) Barter and Trade Agreements. **Schedule 4.20(a)(ix)** is a list or, with respect to oral Contracts, a brief description of all “barter” and “trade” agreements and with total remaining asset or liability balances in excess of \$20,000.

(x) Station Intellectual Property Agreements. **Schedule 4.20(a)(x)** is a list of, or, with respect to oral Contracts, a brief description of, all Contracts between Seller and any Third Party relating to the development, maintenance or use of any Station Intellectual Property or any of Seller’s Material information technology Assets used in connection with the operation of the Stations, the development or transmission of data, or the use, modification, framing, linking, advertisement or other practices solely with respect to Internet web sites for the Stations.

(xi) Sharing Agreements. **Schedule 4.20(a)(xi)** is a list of any local marketing agreements, joint sales agreements, or similar agreements of Seller that relate to the business of KHSL.

(xii) Retransmission Agreements. **Schedule 4.20(a)(xii)** includes a true and complete list of all agreements with operators of cable television and DBS systems pursuant to which Seller has granted to such operators the right to retransmit KHSL’s signals (the “**Retransmission Agreements**”).

(xiii) Any Other Contracts. **Schedule 4.20(a)(xiii)** is a list of, or, with respect to oral Contracts, a brief description of, any other Contracts of Seller (other than Contracts with Material Advertisers) that relate to the business of KHSL or the Assets and that: (A) provide for monthly payments by or to Seller in excess of \$5,000,

(B) provide for payments to be made or payments actually made thereunder by or to Seller in any calendar year exceeding \$30,000, (C) require performance by Seller of any obligation for a period of time extending beyond six (6) months from the Closing Date or that is not terminable by Seller without penalty upon sixty (60) days or less notice, (D) evidence, create, guarantee or service indebtedness of Seller or any other Person, (E) establish or provide for any joint venture, partnership or similar arrangement involving Seller, (F) guarantee or endorse the Liabilities of any other Person, (G) contain covenants of Seller not to compete with any Person, or (H) each amendment, supplement and modification (whether oral or written) in respect of any of the foregoing.

(b) Cable and DBS Carriage. Except with respect to cable and DBS systems that are parties to Retransmission Agreements, Seller has made a valid election of “must carry” on behalf of KHSL with respect to each cable and DBS system located within KHSL’s DMA (as defined in Section 76.55(e)(2) of the FCC’s rules). Except as set forth on **Schedule 4.20(b)**, no cable or DBS system has notified Seller of any signal quality deficiency or copyright indemnity or other prerequisite to carriage of KHSL’s signal, and no cable or DBS system has notified Seller that it has declined or threatened in writing to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage from the FCC. To Seller’s Knowledge, no cable system has petitioned the FCC to modify KHSL’s television market, the grant of which petition would result in KHSL no longer having “must carry” rights with respect to such cable system.

(c) Material Advertisers. No Material Advertiser has in writing made or asserted any defense, set off or counterclaim under any of those Contracts between Seller and a Material Advertiser with respect to KHSL or has exercised any option granted to it to cancel or terminate its Contracts with Seller with respect to KHSL or to shorten the term of its Contracts with Seller with respect to the Stations, except as set forth on **Schedule 4.20(c)**. “**Material Advertiser**” means any advertiser on KHSL whose payments to Seller with respect to KHSL have exceeded \$75,000 annually in the past fiscal year. No Material Advertiser has given written notice to Seller of its intent to modify Materially and adversely to Seller its relationship with Seller with respect to KHSL or Materially decrease the advertising purchased from Seller with respect to KHSL, except as set forth on **Schedule 4.20(c)**. **Schedule 4.20(c)** is a list of, or, with respect to oral Contracts, a brief description of, any Contracts with Material Advertisers that relate to the business of KHSL and that (i) provide for monthly payments by or to Seller in excess of \$25,000 or annual payments in excess of \$75,000 or (ii) are otherwise entered into not in the ordinary course of the business of KHSL.

(d) Copies. Except as set forth on **Schedule 4.20(d)**, correct and complete copies of all the written Contracts (including any amendments, exhibits, schedules and addendums thereto), and correct and complete descriptions of the Material terms of all oral Contracts, required to be disclosed in any Schedule to Section 4.20(a), other than Contracts with Material Advertisers (such Contracts other than those with Material Advertisers, collectively, the “**Material Business Contracts**”), have been delivered or made available to Buyer on or before the date hereof.

(e) No Default. Neither Seller nor, to the Knowledge of Seller, any other party is in Material Default under any of the Material Business Contracts and, to the

Knowledge of Seller, there is no basis for any claim of Material Default under any of the foregoing.

(f) Assurances. Except as set forth on Schedule 4.20(f), each of the Material Business Contracts is in full force and effect in accordance with its terms and constitutes a valid, legal and binding agreement of Seller, enforceable in accordance with its terms, except as such enforceability may be limited by principles of public policy, and subject to (A) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (B) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law) and, to the Knowledge of Seller, represents a valid, legal, binding and enforceable obligation of each of the other parties thereto in accordance with its terms, except as such enforceability may be limited by principles of public policy, and subject to (X) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (Y) the effect of rules of law and general principles of equity, including, without limitation, rules of Law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Subject to obtaining any consents required and delivery of notices required thereunder or except as set forth in **Schedule 4.3**, the continuation, validity and effectiveness of each of the Material Business Contracts will not be adversely affected in any Material respect by the consummation of the transactions contemplated by this Agreement. To the Knowledge of Seller, no party to any of the Material Business Contracts has made or asserted in writing any defense, set off or counterclaim under any of those Material Business Contracts or has exercised any option granted to it to cancel or terminate its Material Business Contracts or to shorten the term of its Material Business Contracts.

(g) Assignability. Except as set forth on **Schedule 4.20(g)**, each Material Business Contract identified on **Schedule 4.20(a)** and each Contract with a Material Advertiser identified on **Schedule 4.20(c)** and which is to be assigned to or assumed by Buyer is assignable by Seller to Buyer without the consent of any other Person.

(h) Renegotiations. Except as set forth on **Schedule 4.20(h)** and except, for the avoidance of doubt, the contemplated renewal of the CBS television network affiliation, there are no pending renegotiations or outstanding rights of renegotiation of any Material amounts paid or payable to or by Seller under current or completed Material Business Contracts, Retransmission Agreements or Contracts with Material Advertisers that would result in an increase of any annual payments by Seller of at least \$25,000 each.

4.21 Labor Matters.

(a) **Schedule 4.21(a)** hereto contains a true, correct and complete list of all employees of Seller who have employment duties related to KHSL or the Assets, including (and designating as such) any such employee who is an inactive employee on paid or unpaid leave of absence, and indicating the date of employment, current title and annual or hourly

compensation and commission or bonus program (if applicable), annual paid-time off accrual, paid-time off that is accrued but not used, and service credited for purposes of vesting and eligibility to participate under any Employee Benefit Plan, with respect to each such employee. Each employee set forth on **Schedule 4.21(a)** hereto who is employed by the Seller immediately prior to the Closing (whether actively or inactive), and each additional employee who is hired to perform services for KHSL or with respect to the Assets following the date hereof who is employed by Seller immediately prior to the Closing, shall be referred to herein individually as a “**Station Employee**” and, collectively, as the “**Station Employees.**” For the purposes of clarity, Seller shall update **Schedule 4.21(a)** as required by Section 6.12.

(b) Except as disclosed on **Schedule 4.21(b)**, the employment of all employees of Seller is terminable at will by Seller without any penalty or severance obligation incurred by Seller.

(c) Except as set forth on **Schedule 4.21(c)** hereto, there is not pending or, to the Knowledge of Seller, threatened against Seller, any labor dispute, strike or work stoppage that affects or interferes with the operation of KHSL or the Assets, and, to the Knowledge of Seller, there is no organizational effort currently being made or threatened by or on behalf of any labor union with respect to the Station Employees. Seller has not experienced any labor dispute, strike, work stoppage or other similar significant labor difficulties within the twelve (12) months preceding the date of this Agreement with respect to KHSL or the Assets.

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

(e) Except as set forth on **Schedule 4.21(e)**, there are no pending or, to the Knowledge of Seller, threatened, proceedings, complaints, claims, disputes, investigations or charges relating to any alleged violation of any legal requirement pertaining to labor relations or employment matters relating to Station Employees or former Station Employees, including any allegations or investigations related to the misclassification of any Station Employees as independent contractors or any charge or complaint filed with the National Labor Relations Board or any comparable Governmental Authority.

(f) In the twelve (12) months preceding the date of this Agreement, Seller has not implemented any “plant closing” or “mass layoff” of employees that implicates the Worker Adjustment and Retraining Notification Act (the “**WARN Act**”) or any similar state or local legal requirement. During the ninety (90) day period prior to the date of this Agreement, Seller has not terminated any employees.

(g) To the Knowledge of Seller, no Station Employee or officer or manager of Seller is bound by any Contract that purports to limit the ability of such Station Employee, officer or manager (i) to engage in or continue or perform any conduct, activity, duties or practice relating to the business of Seller or (ii) to assign to Seller or to any other Person any rights to any invention, improvement, or discovery.

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

(i) There are no pending, or to Seller's Knowledge, threatened charges of discrimination against Seller with the Equal Employment Opportunity Commission or similar Governmental Authority.

4.22 Interested Transactions. Except as set forth in **Schedule 4.22**, Seller is not a party to any Material Business Contract with any Affiliate of Seller, any Related Party of any Affiliate of Seller (other than as a member or employee of Seller), or any Person in which any of the foregoing (individually or in the aggregate) beneficially or legally owns, directly or indirectly, five percent (5%) or more of the equity or voting interests. Except as described in **Schedule 4.22**, none of the Persons described in the first sentence of this Section 4.22 owns, or during the last three (3) years has owned, directly or indirectly, beneficially or legally, (individually or in the aggregate) five percent (5%) or more of the equity or voting interests of any Person that competes with Seller or the business of KHSL.

4.23 Solvency.

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

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

4.24 Brokers or Finders. Neither Seller nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the sale of Seller's business or the Assets or the transactions contemplated herein.

4.25 Disclosure. To the Knowledge of Seller, no representation or warranty made by Seller in this Section 4, contains any untrue statement of Material fact or omits to state a Material fact necessary to make the statements contained in this Section 4, in light of the circumstances in which it was made, not misleading.

4.26 Limitations on Representations and Warranties. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUTURE FINANCIAL PERFORMANCE OR RESULTS OF THE OPERATIONS OF THE BUSINESS OF THE STATIONS, NOR ANY OTHER REPRESENTATION OR WARRANTY EXCEPT AS EXPRESSLY MADE BY SELLER IN THIS SECTION 4, AND THE PROVISIONS OF SECTION 5.9 ARE INCORPORATED BY REFERENCE IN THIS SECTION 4.26.

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

5.1 Buyer's Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has the full power and authority to enter into and perform this Agreement and the Buyer Other Agreements and is qualified to do business as a foreign limited liability company in the State of California.

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

5.3 Validity of Contemplated Transactions, Restrictions. Except as disclosed on **Schedule 5.3**, the execution, delivery and performance of this Agreement and the Buyer Other Agreements by Buyer and the consummation of the transactions contemplated hereby or thereby, do not and will not (i) violate any provision of the certificate of formation or the limited liability agreement of Buyer, (ii) subject to obtaining the FCC Consent, constitute a violation by Buyer of any Law or Order applicable to it, or (iii) require the consent or approval of, or any

notice to, any Governmental Authority, except as set forth in Section 6.1, including the FCC Consent.

5.4 Litigation. There is no action, administrative or other proceeding, arbitration, cause of action, claim, complaint, criminal prosecution, inquiry, hearing, investigation (governmental or otherwise), notice (written or oral) by any Person or by or before any Governmental Authority pending or, to Buyer's Knowledge, threatened, or any Order, injunction or decree outstanding, against Buyer or any of its Affiliates that may have the effect of preventing, Materially delaying, making illegal or otherwise interfering with the transactions contemplated herein.

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

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

5.7 Financing. Buyer has delivered to Seller true, correct and complete copies of a commitment letter from (i) Bank of America, N.A. (the "**Lender**"; and such commitment letter, the "**Debt Commitment Letter**"), pursuant to which Lender has agreed, subject only to the terms and conditions set forth therein, to provide debt financing for the transactions contemplated by this Agreement (the "**Debt Financing**") and (ii) MSouth Equity Fund II, L.P. (the "**Equity Investor**," and its commitment letter, the "**Equity Commitment Letter**," and together with the Debt Commitment Letter, the "**Commitment Letters**"), pursuant to which the Equity Investor has committed to invest, directly or indirectly, in Buyer, subject only to the terms and conditions set forth therein, the amount set forth therein (the "**Equity Financing**," and together with the Debt Financing, and any alternative debt financing arrangements that Buyer pursues in accordance with Section 6.21, the "**Financing**"). As of the date hereof, the Commitment Letters (a) are in full force and effect without amendment, modification, breach or Default, (b) are the valid, binding and enforceable obligations of Buyer and, to Buyer's Knowledge, each other party thereto, (c) include all Material terms relating to the Financing, (d) have not been withdrawn or rescinded in any respect, and (e) all commitment fees required to be paid thereunder have been paid or will be paid in full when due and Buyer has or will have sufficient funds to pay such fees as and when due. Except as set forth in the Commitment Letters, there are no other conditions to the consummation of the Financing, and Buyer has no

reason to believe that (x) any condition to the Commitment Letters will not be satisfied or waived prior to the Closing Date or (y) the Financing will not be consummated on or prior to the Closing Date.

5.8 Brokers Or Finders. Neither Buyer nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the purchase of Seller's business or the Assets or the transactions contemplated herein.

5.9 No Other Seller Representations. Buyer acknowledges and agrees that other than those representations and warranties made by Seller in this Agreement and delivered to Buyer pursuant to Section 4 of the Agreement, (i) neither Seller nor any of its Representatives or any other Person is making or has made any representation or warranty, express or implied, in respect of Seller, the Assets, the Liabilities, or businesses of the Stations, or the Stations' operations, prospects, or condition (financial or otherwise), including with respect to merchantability or fitness for any particular purpose of any Assets, the nature or extent of any Liabilities, the prospects of the Stations, the effectiveness or the success of the Stations or any operations thereof, or the accuracy or completeness of any confidential information memoranda, offering presentation, documents, projections, material or other information (financial or otherwise) regarding the Stations furnished to Buyer or its representatives or made available to Buyer and its Representatives in any "data rooms," "virtual data rooms," offering presentations, management presentations or in any other form in expectation of, or in connection with, or in respect of any other matter or thing whatsoever, and (ii) no Representative of Seller or any other Person has any authority, express or implied, to make any representations, warranties or agreements not specifically set forth in this Agreement.

6. Further Agreements of the Parties.

6.1 Filings.

(a) As soon as practicable, but in no event later than ten (10) Business Days after the date of this Agreement, the parties shall file with the FCC all necessary applications requesting Consent to the transactions contemplated by this Agreement (the "**Assignment Application**"); the parties shall with due diligence take all reasonable steps necessary to expedite the processing of the Assignment Application and to secure such Consent or approval, including promptly filing all appropriate or necessary supplemental filings and amendments and vigorously contesting and opposing any petitions, objections, challenges or requests for reconsideration thereof. Seller shall, to the extent reasonably requested by the FCC, enter into tolling and/or escrow agreements necessary to obtain grant of the Assignment Application. No party hereto shall take any action not contemplated by this Agreement that such party Knows or should Know would adversely affect obtaining the FCC Consent or adversely affect the FCC Consent becoming a Final Order, other than disclosure or similar obligation required by applicable Law. Each party shall promptly provide the other party with true, correct and complete copies of all pleadings, orders, filings or other documents served on them related to the Assignment Application or the FCC Consent. Prior to submitting or making any such correspondence, filing or communication to the FCC or members of its staff, the parties shall first provide the other party with a copy of such correspondence, filing or communication in draft

form and give such other party a reasonable opportunity to discuss its content before it is submitted or filed with the FCC and shall consider and take account of all reasonable comments timely made by the other party with respect thereto. To the extent permitted by applicable Law, each of the parties shall ensure that the other party is given the opportunity to attend any meetings with or other appearances before the FCC with respect to the transactions contemplated by this Agreement. The terms “**Consent**” or “**FCC Consent**” shall mean the action by the FCC or its staff, acting pursuant to delegated authority, granting its consent to the assignment of the FCC Licenses as contemplated by this Agreement. Each party shall bear its own costs and expenses (including the fees and disbursements of its counsel) in connection with the preparation of the portion of the Assignment Application to be prepared by it and in connection with the processing thereof. Except as required by an escrow agreement that Seller may be required to enter into with the FCC, neither Buyer nor Seller shall be required to post any bond or make any escrow deposit with the FCC in connection with obtaining the FCC Consent. All filing and grant fees, if any, paid to the FCC, shall be advanced by Seller but shall be equally shared by Buyer and Seller. Buyer shall promptly reimburse Seller for one-half (1/2) of all such fees upon demand, or if Seller shall not make such demand then Buyer shall reimburse Seller therefor through an adjustment to the Purchase Price under Section 2.4 hereto.

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

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

(a) Seller shall operate KHSL and manage the Assets in the ordinary course of business and consistent with past practices and in conformity and compliance in all Material respects with (i) the FCC Licenses, the Communications Laws, and (ii) all other Laws or Orders relating to KHSL or the Assets, and Seller shall not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the FCC Licenses to expire or to be

revoked, suspended or adversely modified, or take or fail to take any action that would cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses;

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

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

(d) Seller shall not, except with Buyer's prior approval (which shall not be unreasonably withheld, delayed or conditioned), (i) enter into or become obligated under any new Contracts which would be required to be listed on **Schedule 4.20** (or that would require receipt of a consent or approval required to be disclosed on **Schedule 4.3**) by virtue of Section 4.20 hereof that would create a Liability after the Closing Date of \$25,000 or more individually or \$75,000 or more in the aggregate, (ii) amend, modify, terminate or waive any Material right under any Material Business Contract, Retransmission Agreement or Contract with a Material Advertiser (including any Material Lease, Real Property Lease or employment Contract), other than as expressly permitted hereunder or, for the avoidance of doubt, the expiration of any Contract in accordance with its terms, (iii) enter into any new time sale agreement for KHSL except in the ordinary course of business for cash, barter or trade and consistent with past practices, (iv) cause or take any action to allow any Material Contract to lapse (other than in accordance with its terms), to be modified in any Materially adverse respect, or otherwise to become impaired in any Material manner, except in the ordinary course of business consistent with past practices, (v) enter into any contract of employment, (vi) grant or agree to grant any general increases in the rates of salaries or compensation payable to Station Employees other than in accordance with past practice and in an aggregate amount of not more than three percent (3%), (vii) grant or agree to grant any specific bonus or increase to any Station Employees other than in accordance with past practice, or (viii) other than in the ordinary course of business increase benefits under, or establish any new bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, option (including the granting, modification or acceleration of options or performance awards), or other Employee Benefit Plan (except to the extent necessary to comply with applicable Law or as provided under such Employee Benefit Plan) or amend or modify any Employee Benefit Plan (except to the extent necessary to comply with applicable Law);

(e) Seller shall use commercially reasonable efforts to (i) maintain all of the Improvements and the tangible Personal Property in adequate repair, maintenance and condition (normal wear and tear excepted), given the age of such Improvements and tangible Personal Property and the use to which such Improvements and tangible Personal Property are

put, and repair or replace, consistent with past practice, any Improvements and tangible Personal Property that may be damaged or destroyed, and (ii) maintain or cause to be maintained insurance on the Assets and the business of KHSL as described in Section 4.14;

(f) Seller shall confer on a regular and frequent basis with Buyer to report Material operational matters and to report the general status of ongoing operations of KHSL and the Assets at such times as Buyer may reasonably request, and Seller shall promptly notify Buyer in writing of any Material Adverse Change with respect to the Assets or the business of KHSL, or any condition or event that would reasonably be expected to result in a Material Adverse Change with respect to the Assets or the business of KHSL of which Seller has Knowledge;

(g) Seller shall give Buyer prompt written notice of the occurrence of any of the following: (A) a loss, taking, condemnation, damage or destruction of or to any of the Assets involving an amount in excess of \$25,000; (B) the commencement of any Material Litigation at law or in equity or before the FCC or any other Governmental Authority that involves the FCC Licenses, other than proceedings or litigation of general applicability to the television broadcasting industry; (C) any Material labor grievance, strike, or other Material labor dispute; (D) any Material violation by Seller of any Law; or (E) any Material breach, default, claimed default or termination of any Material Business Contract;

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

(i) Seller and Buyer shall each use commercially reasonable efforts to contest, defend and resolve any such suit, proceeding or injunction brought against it so as to permit the prompt consummation of the transactions contemplated hereby; provided that such efforts shall not require Buyer or Seller to expend more than \$75,000 and shall not limit the termination rights set forth in Section 10 of this Agreement;

(j) Except for changes in Communications Laws of general applicability, Seller shall use commercially reasonable efforts to protect the present service areas of KHSL from increased electrical interference from other stations, existing or proposed, and exercise commercially reasonable efforts to maintain carriage of KHSL's signals on all cable systems on which they are entitled to carriage;

(k) Seller shall promptly provide Buyer with copies of all Material correspondence received after the date hereof with cable and DBS systems to and from Seller with regard to KHSL concerning must carry status, retransmission consent and other matters arising under the Cable Act, the STELA Reauthorization Act of 2014, as amended ("**STELAR**"), and any successor statutes to STELAR, and keep Buyer advised of the status of Material

developments in all negotiations by Seller with cable and DBS systems concerning such matters related to KHSL;

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

(m) except as set forth on **Schedule 6.2(m)** or as Buyer may consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall not make or agree or commit to make any capital expenditure greater than \$25,000 in connection with any particular project relating to KHSL or the Assets, or greater than \$75,000 in the aggregate;

(n) [reserved];

(o) Seller shall not extend credit to advertisers other than in accordance with Seller's usual and customary policy with respect to extending credit for the sale of broadcast time and collecting Accounts Receivable;

(p) Seller shall promote the programming of KHSL (both on-air and using Third Party media) in the ordinary course of business and in a manner consistent with past practice and will not sell or otherwise dispose of its rights under the Programming Agreements if not in the ordinary course of business and so long as such disposals individually or in the aggregate do not result in a Material change in the programming content or policies of KHSL; and

(q) Seller shall not agree or commit, whether in writing or otherwise, to take any action that would cause Seller to violate any of the provisions of this Section 6.2.

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

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

6.5 Access to Information.

(a) Prior to the Closing, Buyer and its Representatives may make such reasonable investigation of the property, assets and business of Seller as it relates to KHSL and the Assets as it and they may desire, provided that Buyer and its Representatives may not conduct sampling of the air, soil, surface waters or ground waters of Seller's properties without Seller's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned). Prior to the Closing, Seller shall give to Buyer and to its counsel, accountants and other representatives, upon reasonable notice, reasonable access during normal business hours to

all of the assets, books, commitments, agreements, records and files of Seller relating to KHSL and the Assets, and Seller shall furnish or make available to Buyer during that period all documents and copies of documents and information concerning the businesses and affairs of KHSL and the Assets as Buyer reasonably may request. Seller shall also allow and arrange for Buyer and its designees reasonable access, upon reasonable notice and during normal business hours, to consult and meet with Seller and its officers and managers and the employees and accountants of Seller with respect to KHSL and the Assets; provided that the foregoing do not unreasonably disrupt the business of Seller. Except as expressly provided herein, neither Buyer nor any of its agents or Representatives shall contact in any manner whatsoever any of Seller's or KHSL's employees, customers, suppliers, or others having business dealings with Seller or KHSL without the prior written consent of Seller. Notwithstanding the foregoing, all of Buyer's and its Representative's inquiries and/or requests for any such information or access shall be made directly and solely to Richard L. Gorman ("**Gorman**"). Any conversations between Buyer (or any of its Representatives) and any Representative or employee of the Stations (including management level employees) for the purpose of obtaining information for due diligence purposes shall be arranged only through Gorman. Gorman or any other Representative of Seller designated by Gorman shall participate in all conversations or meetings between Buyer (or any of its Representatives) and any Representative or employee of KHSL for the purpose of obtaining information for due diligence purposes unless Gorman shall otherwise consent.

(b) Buyer acknowledges and agrees that it is, has been and continues to be bound by the Confidentiality and Non-Disclosure Agreement, dated as of April 6, 2015, by and among Seller, K4 Media and Heartland Media Holdings, LLC, a direct or indirect equity owner of Buyer ("**Heartland**") (such agreement, the "**Non-Disclosure Agreement**"), as if Buyer were a direct party thereto and the "Company" thereunder and to the same extent as Heartland is a party thereto.

6.6 Consents; Assignment of Agreements. Seller shall use commercially reasonable efforts to obtain at the earliest practicable date all consents and approvals referred to in Section 4.3. Buyer agrees to reasonably cooperate with Seller in obtaining all such consents and approvals and to use all commercially reasonable efforts to assist Seller in obtaining such consents and approvals, and to take all commercially reasonable actions necessary or desirable to obtain such consents and approvals, including executing such assumption instruments and other documents as may be reasonably required in connection with obtaining such consents and approvals. If, with respect to any Contract to be assigned to Buyer, a required consent to the assignment is not obtained by the Closing, then the Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Contract; provided, however, that with respect to each such Contract, Seller shall use commercially reasonable efforts to keep it in effect and give Buyer the benefit of it to the same extent as if it had been assigned, and Buyer shall perform Seller's obligations attributable to the period on or after the Effective Time under the Contract relating to the benefit obtained by Buyer. Nothing in this Agreement shall be construed as an attempt to assign any Contract that is by its terms nonassignable without the consent of the other party. Promptly after receipt of any such consent or approval after the Closing, Seller shall assign such Contract to Buyer, and Buyer shall assume such Contract from Seller.

6.7 Sales Taxes; Transfer and Recording Fees. Seller shall pay (a) all state or local sales, use and similar Taxes payable in connection with the sale and transfer of the Assets, and (b) any stamp or transfer Taxes, real or personal property Taxes or recording fees payable in connection with the sale of the Assets.

6.8 Employees and Employee Benefit Matters.

(a) Buyer shall offer employment as of the Closing Date to all Station Employees, other than those Station Employees listed on **Schedule 6.8(a)**. As of the Closing Date, Buyer shall employ each such Station Employee who accepts Buyer's offer of employment ("**Transferred Employees**") at a salary or hourly rate and, if applicable, commissions that are no less than the salary, hourly rate or commission rate as in effect as of the Closing Date. Each Transferred Employee shall be employed on such other terms and conditions and with employee benefits (including benefits of the type described in Section 3(1) of ERISA) that are comparable to those provided to similarly situated employees of Buyer's Affiliates. Buyer shall provide each Transferred Employee credit for years of service with Seller (or their Affiliates) prior to the Closing for the purpose of eligibility, vesting and benefit accrual (but not for purposes of benefit entitlement under any defined benefit plans) under Buyer's health, vacation, severance, sick leave and other employee benefit plans and policies. Notwithstanding anything to the contrary herein, unless employed pursuant to a written agreement which expressly provides that his/her employment with Buyer is not terminable at will, each Transferred Employee shall be an employee at will of Buyer, and nothing in this Section or elsewhere in this Agreement shall guarantee employment with Buyer for any period of time. This Section 6.8 will operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other Person or entity, including any Transferred Employee or any other employee or former employee of Seller or KHSL who performs or performed services in connection with the operation of KHSL. Without limiting the scope of this Section 6.8(a), Buyer shall cause each Transferred Employee (and his or her eligible dependents) to be covered immediately following the Closing, by a group health plan that provides health benefits (within the meaning of Section 5000(b)(1) of the Code) on terms and conditions that are comparable to those provided under a group health plan provided to similarly situated employees of Buyer's Affiliates. Such applicable offered group health plan will not limit or exclude coverage on the basis of any preexisting condition of such Transferred Employee or his or her dependents. If requested by Buyer, Seller shall reasonably cooperate and provide reasonable assistance to Buyer with respect to any employee benefit plan (or insurance contract related thereto) of Buyer or its Affiliates providing benefits to Transferred Employees, including facilitating contact with third parties as Buyer deems necessary or appropriate. Nothing herein shall require Buyer to assume, sponsor, continue or otherwise duplicate any Employee Benefit Plan.

(b) Seller shall pay any Transferred Employee for his or her accrued but unused paid time off, as identified in Schedule 4.21(a) and updated at Closing, as of the Effective Time in accordance with applicable Law.

(c) From the Closing Date until the first anniversary of the Closing Date, if a Transferred Employee terminates employment with Buyer for any reason that would give rise to the payment of a severance payment as specified on **Exhibit 6.8(a)** attached hereto, Buyer shall provide severance benefits at least equal to those specified on such **Exhibit 6.8(a)**.

For purposes of the preceding sentence, such Transferred Employee will receive credit for service performed for Seller (or its Affiliates) prior to the Closing Date, and service performed for Buyer after the Closing Date, in connection with the determination of the amount of such severance benefit.

(d) As of the Closing Date, Buyer shall assume, to the extent required by law, full responsibility and liability for offering and providing continuation coverage under Section 4980B of the Code with respect to each covered employee, each M&A qualified beneficiary and each other qualified beneficiary thereof who incurs a “qualifying event” (within the meaning of Section 4980B of the Code) on or prior to the Closing Date or is receiving continuation coverage on the Closing Date, provided that each such individual is, or has a qualifying event in connection with, a covered employee whose last employment prior to the qualifying event was associated with KHSL or the Assets. For purposes of this Section, each employee of Seller who experiences a loss of health care coverage as the result of the transactions contemplated by this Agreement, together with his or her spouse and dependents, if any, shall be deemed eligible for continuation coverage as provided herein.

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

(f) Seller shall retain responsibility for and continue to pay all medical, life insurance, disability and other welfare plan expenses and benefits for each Transferred Employee with respect to claims incurred under the terms of the Employee Benefit Plans by such Transferred Employees or their covered dependents prior to the Closing Date.

6.9 Further Assurances.

(a) At any time and from time to time after the Closing, each of the parties shall, without further consideration, execute and deliver to the other such additional instruments and shall take such other action as the other may reasonably request to carry out the transactions contemplated by this Agreement. Notwithstanding anything to the contrary contained herein, until the expiration of all applicable statutes of limitation after the Closing, each party shall grant the other reasonable access during normal business hours upon reasonable prior notice to the books and records of that party for the purpose of complying with any applicable Law or request relating to the period during which the other party operated KHSL or managed any of the Assets or as otherwise reasonably required. From and after the Closing,

Buyer shall preserve, for a period of six (6) years from the original date of creation, all books and records of Seller that are in Buyer's possession relating to the period prior to the Closing. From and after the Closing, Buyer and Seller shall afford to each other, and their respective counsel, accountants and other authorized agents and representatives, during normal business hours reasonable access to the employees, books, records and other data relating to KHSL or the Assets in its possession with respect to periods prior to the Closing, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the requesting party (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such party or Person or its Affiliates, and (b) for the preparation of Tax Returns and audits. Buyer shall not dispose of, alter or destroy any such materials or data without giving at least forty-five (45) days' prior written notice to Seller so that Seller may, at Seller's expense, examine, make copies or take possession of such materials or data.

(b) If the Closing shall not have occurred for any reason within the original time period for consummating the assignment of the FCC Licenses pursuant to the FCC Consent, and no party shall have terminated this Agreement, then the parties shall jointly request and use commercially reasonable efforts to obtain an extension of the time period for consummating assignment of the FCC Licenses pursuant to the FCC Consent. No extension of the time period for consummating the assignment of the FCC Licenses pursuant to the FCC Consent shall limit the exercise by any party of any right such party may have to terminate the Agreement.

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

6.11 Non-Competition and Non-Solicitation Agreement. At Closing, Seller, GOCOM Broadcasting Corporation and Gorman shall enter into a Non-Competition and Non-Solicitation Agreement, substantially in the form of **Exhibit 6.11** (the "**Non-Competition Agreement**").

6.12 Schedules.

(a) No later than thirty (30) days after the date of this Agreement, Seller shall deliver to Buyer an updated Schedule 4.21(a) which shall include for each Station Employee, along with all other information already provided to Buyer on such Schedule 4.21(a) as of the date of this Agreement, annual paid-time off accrual, paid-time off that is accrued but not used, and service credited for purposes of vesting.

(b) No later than five (5) Business Days before the Closing Date, Seller shall be obligated to supplement any of the Schedules contained in Section 4 hereof with respect to any matter arising after the date hereof that, if existing or occurring on the date of this Agreement, would have been required to be set forth or described in such Schedules; provided, however, that if an event occurs or a matter arises related to any representation or warranty made by Seller in Section 4 hereof that Seller reasonably believes has or will result in a Material Adverse Effect, then Seller will promptly provide written notice to Buyer and will promptly update all relevant Schedules relating to such event or matter. Except for the Schedules updated to reflect changes as a result of actions explicitly permitted by the covenants set forth under Sections 6.1, 6.2, 6.8(b) and 6.12(a) (“**Permitted Updates**”), no such supplement shall be deemed to modify the representations or warranties contained in Section 4 or to modify the Schedules as they existed as of the date hereof or on the Closing Date for purposes of any indemnification claims pursuant to Section 9. In the event that Seller delivers updated Schedules after the date that is five (5) Business Days prior to Closing, Buyer may, by written notice to Seller, unilaterally extend the Closing Date if necessary to allow Buyer five (5) Business Days to review such supplements to the Schedules prior to the Closing Date. Notwithstanding the foregoing, the survival of the representations and warranties and the indemnification rights set forth in Section 9 shall in no event be affected by any supplement, investigation, inquiry or examination made for or on behalf of any party, or the knowledge of any party’s officers, directors, members, stockholders, employees or agents or the acceptance by any party of any certificate or opinion hereunder, except with respect to Permitted Updates.

6.13 Other Offers and Exclusive Dealing. Unless and until this Agreement is terminated prior to Closing pursuant to Section 10, Seller, acting in any capacity, will neither directly nor indirectly, through any Representative (A) solicit, initiate, encourage or entertain submission of proposals or offers from any other Person relating to (i) any substantial portion of the assets of Seller, (ii) any merger of, or sale of a substantial portion of the membership interests in Seller if the survivor of such merger or acquirer of such membership interests would not be bound by the terms of this Agreement, (iii) any time brokerage, local marketing, outsourcing, joint sales, shared services, management, marketing or other similar agreement or arrangement related to KHSL (for the avoidance of doubt, excluding all such agreements or arrangements that are currently in effect and that are Excluded Assets hereunder), or (iv) any similar transaction involving Seller with respect to KHSL, (B) participate in any discussions or negotiations regarding, or, except as required by a legal or judicial process, furnish to any other Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to consummate any of the transactions described in clauses (A)(i) through (iv) above involving Seller, or (C) approve or undertake any such transaction.

6.14 Certain Tax Matters.

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

(b) Buyer, on the one hand, and Seller, on the other hand, shall provide the other parties to this Agreement, at the expense of the requesting party, with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax

Return, any audit or other examination by any Governmental Authority, or any judicial or administrative proceedings relating to Liability for Taxes.

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

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

6.17 Title Search, Discharge of Liens; Title Insurance. At or prior to Closing, Seller shall use commercially reasonable efforts to discharge all Liens other than Permitted Liens. Buyer shall obtain within thirty (30) days of the date of this Agreement Lien searches (and shall obtain and deliver updated searches through a date not more than ten (10) days prior to the Closing Date) of filings made pursuant to Article 9 of the Uniform Commercial Code, tax liens and judgment liens in all jurisdictions where Seller has any Assets. Buyer shall also obtain, within thirty (30) days of the date of this Agreement, title commitments for owner's and lender's title insurance policies on (i) the Owned Real Property and (ii) the Leased Real Property listed on **Schedule 6.17** sufficient in form to allow Buyer to obtain, at Buyer's sole cost and expense, a standard form of, (a) owner's and lender's title insurance policies on the Owned Real Property and lessee's and lender's title insurance policies for the Leased Real Property (collectively the "**Title Commitments**"), and (b) an ALTA survey on each parcel of Owned Real Property (the "**Surveys**"). The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring good, marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Owned Real Property and such Leased Real Property subject to Permitted Liens and the Assumed Liabilities, for such amounts as Buyer reasonably determines. Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments and Surveys, provided that Seller shall not be required to incur any cost, expense or other liability in connection therewith. Buyer shall promptly deliver to Seller true and complete copies of its Lien searches, Title Commitments and Surveys. If the Title Commitments or Surveys reveal any Lien on the title other than Assumed Liabilities or Permitted Liens, then Buyer shall notify Seller in writing of such Liens as soon as practicable after Buyer becomes aware that such Lien is not an Assumed Liability or Permitted Lien, and Seller agrees to use commercially reasonable efforts prior to Closing to remove such Lien as required pursuant to the terms of this Agreement; provided, however, that, with respect to the Leased Real Property, Seller shall have no obligation to undertake to remove any Lien encumbering the fee interest to any Leased Real Property nor shall Seller have any obligation to obtain any subordination agreement or other instrument from the holder of any such Liens. Notwithstanding anything to the contrary

contained herein, Seller shall not be required to deliver any instrument or affidavit to the extent such instrument or affidavit would expand the representations and warranties of Seller in Section 4.9 and Section 4.10 hereof or its obligations, if any, to indemnify the Buyer Indemnified Parties for a breach of such representations or warranties pursuant to this Agreement, and any exceptions resulting therefrom in the Title Commitments shall not constitute or be deemed a failure by Seller to satisfy its obligations under this Section 6.17 with respect to the deliverable condition of the Title Commitments.

6.18 Payroll Matters.

(a) Seller and Buyer shall follow the “standard procedures” for preparing and filing IRS Forms W-2 (Wage and Tax Statements), as described in Revenue Procedure 2004-53 for Transferred Employees. Under this procedure, (i) Seller shall provide all required IRS Forms W-2 to (x) all Transferred Employees reflecting wages paid and Taxes withheld by Seller prior to the Closing Date, and (y) all other employees and former employees of Seller who are not Transferred Employees reflecting all wages paid and Taxes withheld by Seller, and (ii) Buyer (or one of its Affiliates) shall provide all required IRS Forms W-2 to all Transferred Employees reflecting all wages paid and Taxes withheld by Buyer (or one of its Affiliates) on and after the Closing Date.

(b) Seller and Buyer shall adopt the “alternative procedure” of Revenue Procedure 2004-53 for purposes of filing IRS Forms W-4 (Employee’s Withholding Allowance Certificate) and W-5 (Earned Income Credit Advance Payment Certificate). Under this procedure, Seller shall provide or make available to Buyer all IRS Forms W-4 and W-5 on file with respect to each Transferred Employee and any written notices received from the IRS under Treasury Regulations section 31.3402(f)(2)-1 (g)(2), and Buyer will honor these forms until such time, if any, that such Transferred Employee submits a revised form.

(c) With respect to garnishments, Tax levies, child support orders, and wage assignments in effect with Seller on the Closing Date for Transferred Employees and with respect to which Seller has notified Buyer in writing, Buyer shall honor such payroll deduction authorizations with respect to Transferred Employees and will continue to make payroll deductions and payments to the authorized payee, as specified by a court or Order that was filed with Seller on or before the Closing Date, to the extent such payroll deductions and payments are in compliance with applicable Law, and Seller will continue to make such payroll deductions and payments to authorized payees as required by Law with respect to all other employees of KHSL who are not Transferred Employees. Seller shall, as soon as practicable after the Closing Date, provide Buyer with such information in the possession of Seller as may be reasonably requested by Buyer and necessary for Buyer to make the payroll deductions and payments to the authorized payee as required by this Section 6.19.

6.19 WARN Act. Buyer shall not take any action on or after the Closing Date that would cause any termination of employment of any employees by Seller that occurs before the Closing to constitute a “plant closing” or “mass layoff” under the WARN Act or any similar state or local Law, or to create any liability to Seller for any employment terminations under applicable Law. Notwithstanding anything to the contrary contained herein, Assumed Liabilities assumed by Buyer shall include all liabilities with respect to any amounts (including any

severance, fines or penalties) payable under or pursuant to the WARN Act or any similar state or local Law with respect to any employees who do not become Transferred Employees as a result of Buyer's failure to extend offers of employment or continued employment as required by Section 6.8 or in connection with events that occur from and after the Closing, and Buyer shall reimburse Seller for any such amounts or any liabilities thereof incurred by Seller.

6.20 Qualification and Existence.

(a) At the Closing, Seller shall deliver to Buyer a certificate of the Secretary of State of the State of Delaware, dated not more than thirty (30) days before the Closing Date, to the effect that Seller is a limited liability company duly formed and in good standing under the laws of the State of Delaware. At the Closing, Seller shall also deliver to Buyer a certificate of the appropriate officials of the State of California, dated not more than thirty (30) days before the Closing Date, to the effect that Seller is duly qualified and in good standing to transact business as a foreign limited liability company in the State of California.

(b) At the Closing, Buyer shall deliver to Seller a certificate of the Secretary of State of the State of Delaware, dated not more than thirty (30) days before the Closing Date, to the effect that Buyer is a limited liability company duly formed and in good standing under the laws of State of Delaware. At the Closing, Buyer shall also deliver to Seller a certificate of the appropriate officials of the State of California, dated not more than thirty (30) days before the Closing Date, to the effect that Buyer is duly qualified and in good standing to transact business as a foreign limited liability company in the State of California.

6.21 Financing.

(a) Buyer shall use commercially reasonable efforts to (i) arrange and obtain the Financing on the terms and conditions described in the Commitment Letters; (ii) negotiate and finalize definitive agreements with respect thereto on the terms and conditions contained in the Commitment Letters; (iii) satisfy on a timely basis all conditions in such definitive agreements that are within its control applicable to Buyer, KHSL, the Assets, and the transactions contemplated under this Agreement; (iv) consummate the Financing no later than the Closing Date; and (v) enforce its rights under the Commitment Letters in the event of a breach or Default by the Financing Sources or the Equity Investors that impedes or delays the Closing. Notwithstanding the foregoing: (x) subject to Section 6.21(b), Buyer shall not be prohibited from obtaining and consummating debt financing on terms other than those contemplated by the Debt Commitment Letter; (y) Buyer shall not be obligated to accept any Material adverse terms set forth in the definitive agreements for the Debt Financing that contradict Material terms set forth in the Debt Commitment Letter; and (z) Buyer shall not be obligated to seek specific enforcement of, or commence or initiate litigation against, any lender to enforce the terms of the Debt Commitment Letter or any alternative debt financing commitment.

(b) In the event that one or more of the Commitment Letters is terminated before the Closing, then Buyer shall promptly (but in no event later than five (5) Business Days after Buyer is aware of such termination) deliver to Seller a written notice of such fact along with correct and complete copies of the termination notices and related documents and

specifying in reasonable detail the reasons for such termination (the “**Financing Termination Notice**”). Upon receipt of a Financing Termination Notice, Buyer shall use commercially reasonable efforts to obtain alternative financing from alternative sources on terms reasonably acceptable to Buyer and that Buyer does not reasonably expect to Materially delay or impede the consummation of the transactions contemplated by this Agreement; provided that in no event shall Buyer be obligated to accept any alternative debt financing with pricing terms that are more than ten percent (10%) higher (on a yield to maturity basis) in the aggregate (inclusive of interest rate, commitment or unused facility fees and other economic terms), or other Material terms and conditions that are Materially less favorable to Buyer, in each case than those set forth in the original Debt Commitment Letter. If Buyer is successful in obtaining such alternative financing, then Buyer shall promptly (but in no event later than five (5) Business Days after Buyer obtains such financing) inform Seller of such fact by delivering written notice to Seller including true and complete copies of the new commitment letters or other documents (the “**Alternative Financing Notice**”). If Buyer has not delivered the Alternative Financing Notice to Seller by the earlier of the forty-fifth (45th) day following the date of delivery to Seller of the Financing Termination Notice or the tenth (10th) Business Day preceding the Closing Date, or such later date as agreed to in writing by the parties, Seller may terminate this Agreement upon prior written notice to Buyer without any liability to Seller, so long as no Alternative Financing Notice is received by Seller prior to the effective date of such termination; subject to the terms, provisions and conditions set forth in Section 10.2(a)(i) or Section 10.2(a)(ii), including the rights of Seller to receive and be paid the APA Deposit Escrow set forth in Section 10.2(a)(i) or the portion thereof set forth in Section 10.2(a)(ii).

(c) Seller acknowledges that Buyer’s Financing Sources may require financial statements and information related to Seller required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations. Seller shall provide such documentation in connection with the arrangement of Financing as is required by regulatory authorities in accordance with applicable Law. If (i) Seller fails to provide such documentation and (ii) such failure is the sole reason that prevents Buyer from obtaining the Financing (“**Seller’s Financing Fault**”), then Buyer shall not be deemed to be in breach of its obligations under Section 6.21(b) of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, each of the parties hereto: (i) agrees that it will not bring or support any Person or entity, or permit any of its Affiliates to bring or support any Person or entity, in any action, suit, proceeding, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any Person or entity that has committed or subsequently commits to provide or otherwise enters into agreements in connection with providing debt financing to Buyer or any of its Affiliates in any way relating to this Agreement or any of the transactions contemplated by this Agreement (the “**Financing Sources**,” which defined term for the purposes of this provision shall include the Lender and its respective former, current and future Affiliates, equityholders, members, partners, controlling persons, officers, directors, employees, agents, advisors and representatives involved in such debt financing), including, but not limited to, any dispute arising out of or relating in any way to the Debt Commitment Letter and any fee letter related thereto or the performance thereof or the debt financing contemplated thereby, in any forum other than the federal and New York State courts located in the Borough of Manhattan within the City of New York; (ii) agrees that,

except as specifically set forth in the Debt Commitment Letter, all claims or causes of action (whether at law, in equity, in contract, in tort or otherwise) against any of the Financing Sources in any way relating to the Debt Commitment Letter or the performance thereof or the debt financing contemplated thereby, shall be exclusively governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to principles or rules of conflict of laws to the extent such principles or rules would require or permit the application of laws of another jurisdiction; and (iii) hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation (whether at law or in equity, in contract, in tort or otherwise) directly or indirectly arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the debt financing contemplated thereby.

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

(f) Notwithstanding anything to the contrary contained in this Agreement, the Financing Sources are intended third-party beneficiaries of, and shall be entitled to the protections of Section 6.21(d), Section 6.21(e) and this Section 6.21(f) to the same extent as if the Financing Sources were parties to this Agreement solely with respect to such Sections. Section 6.21(d), Section 6.21(e) and this Section 6.21(f) may not be amended, modified or supplemented, or any of its provisions waived, without the written consent of the Lender which consent may be granted or withheld in the sole discretion of the Lender.

6.22 Copy of Virtual Data Room and Electronic Files. As soon as practicable after the Closing Date, but in no event later than thirty (30) days after the Closing Date, Seller will deliver to Buyer (a) on one or more USB electronic storage devices, a complete and accurate (as of the Closing Date) electronic copy of its virtual data room (“VDR”) set up with respect to the transactions contemplated by this Agreement, and (b) a certificate executed by a Representative of Seller, dated as of the Closing Date, certifying, on behalf of Seller, to the best of his or her knowledge in his or her capacity as a Representative of Seller, that the content of such device represents a complete and accurate electronic copy of the VDR as of the Effective Time. Through the date such delivery is made, Seller will cause the providers of its VDR to continue to provide Buyer and its representatives with access thereto. The parties acknowledge and agree that Seller makes no representation or warranty of any kind, express or implied,

regarding the validity, accuracy or completeness of any information in its VDR or the electronic copy of its VDR except for the representations and warranties expressly set forth in this Agreement; provided, however, to the extent this Agreement or the Schedules makes reference to an item that is provided in the VDR, Buyer shall be entitled to rely on the copy therein as a valid, true, accurate and complete copy thereof.

6.23 Solar Photovoltaic System. Buyer hereby agrees to lease from Seller the solar photovoltaic system and related solar equipment set forth on **Schedule 6.23** (collectively, the “**Solar Photovoltaic System**”) located at the main studio, 3460 and 3490 Silverbell Road, Chico, California and at the Cohasset tower, 10895 Cohasset Road, Chico, California from the Closing Date until December 31, 2019 pursuant to a lease, the form of which is attached hereto as **Exhibit 6.23** (the “**Solar Lease**”).

6.24 CBS Affiliation. Prior to the Closing Date, Seller will consult with Buyer on the renewal of KHSL’s CBS network affiliation, it being acknowledged that the CBS Television Network Affiliation Agreement, dated as of December 28, 1995, by and between Seller (or its predecessors in interest thereunder) and the CBS Television Network (such agreement, as amended, restated, supplemented or otherwise modified, the “**Current CBS Affiliation Agreement**”) expires on December 31, 2015.

6.25 Transfer of Assets. To the extent any of the Assets are owned, leased, used or held for use by an Affiliate of Seller, the Seller shall cause such Affiliate to transfer of such Affiliate’s right, title and interest in such Assets to Seller prior to the Closing Date.

7. Conditions Precedent to Closing.

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

(a) All representations and warranties of Seller contained in this Agreement (disregarding any qualifications regarding materiality, Materiality or Material Adverse Effect set forth herein or therein) shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such date only), except for changes that are permitted or contemplated pursuant to this Agreement or specifically consented to by the Buyer in writing; or to the extent that the failure of the representations and warranties of Seller contained in this Agreement to be true and correct at and as of the Closing (or in respect of any representation or warranty that is expressly made as of a specified date, as of such date only) has not had and would not, individually or in the aggregate, reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) Seller shall have performed and complied in all Material respects with each obligation and covenant required by this Agreement to be performed or complied with

by it prior to or at the Closing, including the documents and instruments required to be delivered by Seller under Section 8.1;

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

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

(e) there shall be in effect no Law or injunction or restraining Order issued by a court of competent jurisdiction making it illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement;

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

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

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

(i) Buyer or its title insurance company issuing the Title Commitments shall have received executed and attested special or limited warranty deeds in commercially reasonable and recordable form in respect of the Owned Real Property;

(j) Seller shall have delivered to Buyer copies, certified by the duly qualified and acting secretary or assistant secretary of Seller, of resolutions adopted by the manager and members of Seller approving this Agreement, the Seller Other Agreements and the consummation of the transactions contemplated hereby and thereby;

(k) the KNVN Transaction shall be consummated concurrently with the Closing under this Agreement in accordance in all Material respects with the terms and provisions of the KNVN Purchase Agreement;

(l) (i) Seller shall have renewed the CBS television network affiliation on market terms and conditions reasonably acceptable to Buyer and Seller by entering into a new

network affiliation agreement with the CBS television network, and (ii) Seller shall delivered to Buyer a copy of such new network affiliation agreement;

(m) Buyer shall have received the Financing as provided for under Section 6.21 and has the financial wherewithal, as a result, to pay the Purchase Price as required by Section 2.1; provided, however, that the parties acknowledge and agree that the condition set forth in this Section 7.1(m) does not in any way impair Seller's rights to terminate this Agreement under Section 10.1(d) subject to the terms, provisions, rights and effects of Section 10.2(a)(i) or Section 10.2(a)(ii), including Sellers right to receive and be paid the APA Deposit Escrow as liquidated damages under Section 10.2(a)(i) or such portion thereof as liquidated damages under Section 10.2(a)(ii).

(n) Seller shall have delivered titles to any owned motor vehicles;

(o) Buyer shall have received a duly executed Guarantee; and

(p) Seller, GOCOM Broadcasting Corporation and Gorman shall have executed the Non-Competition Agreement.

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

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

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

(b) Buyer shall have performed and complied in all Material respects with all obligations and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing, including the documents and instruments required to be delivered by Buyer under Section 8.2;

(c) there shall be in effect no Law or injunction or restraining Order issued by a court of competent jurisdiction making it illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement;

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

(e) Buyer shall have delivered to Seller copies certified by its duly qualified and acting secretary or assistant secretary, of resolutions adopted by its Board of Managers, approving this Agreement, the Buyer Other Agreements and the consummation of the transactions contemplated hereby and thereby;

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

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

(h) the KNVN Transaction shall be consummated concurrently with the Closing under this Agreement in accordance in all Material respects with the terms and provisions of the KNVN Purchase Agreement.

8. Transactions at the Closing.

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

(a) one or more duly executed Bills of Sale, substantially in the form of **Exhibit 8.1(a)**;

(b) a duly executed Assignment of FCC Licenses, substantially in the form of **Exhibit 8.1(b)**;

(c) a duly executed Assignment of Station Intellectual Property, substantially in the form of **Exhibit 8.1(c)**;

(d) a duly executed Assignment and Assumption, substantially in the form of **Exhibit 8.1(d)** (the “**Assignment and Assumption Instrument**”);

(e) a duly executed Assignment and Assumption of Real Property Leases, substantially in the form of **Exhibit 8.1(e)** (the “**Real Property Assignment and Assumption Instrument**”);

- (f) the certificates referred to in Sections 7.1(g) and (h);
- (g) copies of all consents and approvals received by Seller pursuant to Section 6.6;
- (h) the Non-Competition Agreement, the Indemnity Escrow Agreement and the Solar Lease, each duly executed by Seller;
- (i) a duly executed Guarantee;
- (j) standard, customary documentation (including certain affidavits of Seller) that may be reasonably requested of Seller by Buyer's counsel and its title insurance company in connection with Buyer obtaining title insurance policies relating to the Real Property;
- (k) certificates of non-foreign status for Seller satisfying the requirements of Treasury Regulations section 1.1445-2(b); and
- (l) such other documents, including deeds (as described in Section 7.1(i)) or other instruments of transfer and assignment, and a pay-off letter from Seller's lender, all in form and substance reasonably satisfactory to Buyer and its counsel, as may reasonably be requested by Buyer or its counsel in order to effect the closing of transactions contemplated by this Agreement duly executed by Seller.

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

- (a) wire transfer of funds in the amount provided in Section 2.1 (and Buyer shall also deliver by wire transfer of immediately available funds the Indemnity Escrow to the Escrow Agent) ;
- (b) the Non-Competition Agreement, Indemnity Escrow Agreement, the Guarantee, and the Solar Lease, each duly executed by Buyer;
- (c) instruments, including the Assignment and Assumption Instrument and the Real Property Assignment and Assumption Instrument, in form and substance reasonably satisfactory to Seller and its counsel, pursuant to which Buyer shall assume the obligations of Seller to be assumed by Buyer pursuant to Section 2.2;
- (d) a copy of resolutions of the board of directors or managers of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer, and a certificate of the secretary or an assistant secretary of Buyer, dated the Closing Date, that such resolutions were duly adopted and are in full force and effect;
- (e) the certificates referred to in Section 7.2(d), (e) and (f);
- (f) copies of all consents and approvals, if any, received by Buyer described in Section 6.6; and

(g) such other documents as may reasonably be requested by Seller or its counsel in order to effect the closing of transactions contemplated by this Agreement.

9. Survival of Representations and Warranties; Indemnification.

9.1 Survival. All of the representations and warranties of the parties hereto contained in this Agreement and any claims related to the performance of any covenant or agreement of the parties contained in this Agreement prior to or at the Closing shall survive the Closing Date and shall terminate and expire one (1) year after the Closing Date; provided, however, that the representations and warranties of Seller set forth in Sections 4.1, 4.2, 4.3, the first sentence of Section 4.9(a) and Section 4.13 (collectively, the “**Fundamental Representations**”) shall survive the Closing Date until thirty (30) days after the expiration of the applicable statutes of limitation with respect to the particular subject matter that is the subject thereof. The covenants and agreements of the parties set forth in this Agreement to be performed after the Closing shall survive the Closing until fully performed and discharged. The applicable period of such survival set forth in this Section 9.1 subsequent to Closing is referred to as the “**Survival Period**.”

9.2 Indemnification.

(a) Subject to Sections 9.1, 9.3, 9.4, and 9.5 and this Section 9.2, Seller agrees to defend, indemnify and hold harmless Buyer and its Affiliates and their respective officers, directors, managers, members, employees, counsel, agents, Affiliates, successors and assigns (collectively, “**Buyer Indemnified Parties**”) against, and hold each of them harmless from, all Losses asserted against, imposed upon or incurred by any of the foregoing by reason of, resulting from, arising out of, based upon or otherwise in respect of the following:

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

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

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

(b) Subject to Sections 9.1, 9.3, 9.4 and 9.5 and this Section 9.2, Buyer agrees to defend, indemnify and hold harmless Seller and its Affiliates and each of their respective shareholders, members, managers, officers, directors, employees, counsel, agents, Affiliates, successors and assigns (collectively, “**Seller Indemnified Parties**”) against, and hold each of them harmless from, all Losses asserted against, imposed upon or incurred by any of the foregoing by reason of, resulting from, arising out of, based upon or otherwise in respect of the following:

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

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

(iii) any Assumed Liability or any failure by Buyer to carry out, perform, pay, discharge or otherwise fulfill any of the Assumed Liabilities, including the Contract Liabilities.

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

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

(ii) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have sixty (60) days to make such investigation of the claim as the Indemnifying Party reasonably deems necessary or desirable, and the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of such sixty (60) day period to the validity and amount of such claim, then the Indemnifying Party will promptly pay the Claimant the full amount of the claim, subject to the terms and limitations hereof, provided that if the Indemnifying Party is Seller, then the Indemnifying Party and the Buyer will cause the Escrow Agent to pay to Buyer for further distribution to the applicable Claimant, as applicable, from the Indemnity Escrow the full amount of the claim, subject to the terms and limitations hereof (including taking into account the Seller’s Basket, if applicable). If the Claimant and the Indemnifying Party do not so agree within such sixty (60) day period, then the Claimant may seek appropriate remedy at law or equity, as applicable, subject to the terms and limitations hereof.

(iii) With respect to any claim by any other Person against the Claimant (a “**Third Party Claim**”), the Indemnifying Party shall have the right at its own expense, (if and only if (I) the Indemnifying Party shall have confirmed in writing that it is fully obligated thereunder to the extent provided in this Agreement to indemnify the Claimant with respect to such Third Party Claim and (II) the Third Party Claim does not arise in connection with any criminal proceeding, action, indictment, allegation or investigation) to participate in or assume control of the defense of such claim, and the Claimant shall reasonably cooperate with the Indemnifying Party; provided, however, that the Claimant shall be entitled to participate in any such defense with separate counsel at the expense of the Claimant if in the reasonable opinion of counsel to the Claimant a conflict or potential conflict exists between the Claimant and the Indemnifying Party that would make such separate representation advisable. If the Indemnifying Party declines or fails to assume the defense of the Third Party Claim on the terms provided above within such thirty (30) day period or, upon petition by the Claimant, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such Third Party Claim in good faith, then the Claimant may employ counsel (plus one local counsel in any jurisdiction in any single Third Party Claim if the Claimant determines in its reasonable discretion such local counsel is necessary) to represent or defend it in any such Third Party Claim and the Indemnifying Party will pay the reasonable fees and disbursements of such counsel as incurred; provided, however, that the Indemnifying Party will not be required to pay the fees and expenses of more than one counsel (plus one local counsel in any jurisdiction in any single claim if the Claimant determines in its reasonable discretion such local counsel is necessary) for all Claimants in any jurisdiction in any single Third Party Claim. If the Indemnifying Party elects to assume control of the defense of any Third Party Claim and diligently pursues its resolution, then (i) the Claimant shall not settle or compromise the Third Party Claim, and (ii) the Indemnifying Party shall have the power and authority to settle, compromise or consent to the entry of judgment in respect of the Third Party Claim without the consent of the Claimant if the judgment or settlement results only in the payment by the Indemnifying Party of money damages (and the Indemnifying Party pays such amount in full or, if the Indemnifying Party is Seller, Seller agrees that such amount can be paid from the Indemnity Escrow, in all cases subject to the Seller’s Basket and the other limitations set forth in this Section 9) and includes an unconditional release of the Claimant from any and all Liability thereunder, and, in all other events, the Indemnifying Party shall not consent to the entry of judgment or enter into any settlement in respect of a Third Party Claim without the prior written consent of the Claimant, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third Party Claim, then the Claimant may defend through counsel of its own choosing and in such manner as it reasonably deems appropriate, but the Claimant may only settle such Third Party Claim with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that the failure of the Claimant to obtain such consent shall not relieve the Indemnifying Party of any of its obligations hereunder except to the extent that such Indemnifying Party is prejudiced by such failure. In any Third Party Claim with respect to which indemnification is being sought hereunder and in which the Claimant has assumed the defense of such Third Party Claim, the Indemnifying Party

shall have the right to participate in such matter and to retain its own counsel at such Indemnifying Party's own expense. The Indemnifying Party or the Claimant, as the case may be, shall at all times use its reasonable efforts to keep the Indemnifying Party or the Claimant, as the case may be, reasonably apprised of the status of any matter the defense of which they are maintaining and to cooperate in good faith with each other with respect to the defense of any such matter. The Claimant shall make available to the Indemnifying Party or its Representatives all records and other materials in the Claimant's possession or control reasonably required by them for their use in contesting or defending any Third Party Claim.

(d) At Closing, the members of Seller will deliver a limited guarantee in favor of Buyer, in substantially the form attached hereto as Exhibit 9.2 (the "**Guarantee**").

9.3 Limitations on Liability.

(a) Notwithstanding anything to the contrary in this Agreement, Seller shall not be required, and shall have no obligation or other Liability, to indemnify and hold harmless the Buyer Indemnified Parties under Section 9.2(a)(i), other than in respect of the Fundamental Representations made by Seller, unless and until the aggregate amount of Losses for which Seller is liable under Section 9.2(a)(i) exceeds a deductible of Two Hundred Fifty Thousand Dollars (\$250,000) (the "**Seller's Basket**") and then only for Losses in excess thereof; provided, however, that Seller's Basket shall not apply to any Losses that result from or arise out of fraud by Seller.

(b) Notwithstanding anything to the contrary in this Agreement, Buyer shall not be required, and shall have no obligation or other Liability, to indemnify and hold harmless the Seller Indemnified Parties under Section 9.2(b)(i), other than in respect of Fundamental Representations made by Buyer, unless and until the aggregate amount of Losses for which Buyer is liable under Section 9.2(b)(i) exceeds a deductible of Two Hundred Fifty Thousand Dollars (\$250,000) (the "**Buyer's Basket**") and then only for Losses in excess thereof; provided, however, that Buyer's Basket shall not apply to any Losses that result from or arise out of fraud by Buyer.

(c) Notwithstanding anything to the contrary in this Agreement, (i) the Buyer Indemnified Parties shall be entitled to indemnification or being held harmless only for those Losses arising with respect to any claim as to which the Buyer Indemnified Parties have given Seller and the Escrow Agent written notice within the applicable Survival Period (which claim will survive only until resolved), and (ii) the Seller Indemnified Parties shall be entitled to indemnification and being held harmless only for those Losses arising with respect to any claim as to which the Seller Indemnified Parties have given Buyer written notice within the applicable Survival Period, if any (which claim will survive only until resolved).

9.4 Further Limitations on Liability.

(a) Notwithstanding anything to the contrary in this Agreement, the aggregate Liability of Seller to defend, indemnify and hold harmless the Buyer Indemnified Parties against Losses under (i) Section 9.2(a)(i), shall be limited to an amount equal to Two

Million Six Hundred Sixty Thousand Dollars (\$2,660,000), other than in respect of Fundamental Representations of Seller, which shall be limited to an amount equal to the Purchase Price, and (ii) Sections 9.2(a)(ii) and 9.2(a)(iii) shall be limited to an amount equal to the Purchase Price; provided, however, that such limitations set forth in the foregoing clauses (i) and (ii) shall not apply to any Losses that result from or arise out of fraud by Seller. Except as provided for in the Guarantee, none of Seller's Affiliates and Seller's and its Affiliates' respective officers, directors, managers, stockholders, partners, members, employees, counsel, agents, Representatives, Affiliates, successors and assigns or their respective Related Parties shall have (A) any personal liability to Buyer or any other Buyer Indemnified Parties as a result of the breach or default of any representation, warranty, covenant or agreement of Seller contained in the Agreement or the Seller Other Agreements or otherwise arising out of or in connection with the transactions contemplated hereby and thereby, or otherwise arising out of or in connection with the transactions contemplated thereby or (B) any personal obligation to indemnify Buyer or any other Buyer Indemnified Parties for any of Buyer's claims under Section 9.2(a) or otherwise as a result of the breach or default of any representation, warranty, covenant or agreement of Seller contained in this Agreement or the Seller Other Agreements.

(i) Notwithstanding anything to the contrary in this Agreement, the aggregate Liability for Losses under Section 9.2(b) shall be limited to an amount equal to Two Million Six Hundred Sixty Thousand Dollars (\$2,660,000), and Seller shall have no further recourse against Buyer or any of its members with respect to such indemnity obligations or otherwise arising under this Agreement, except with respect to a breach by Buyer of Buyer's obligations under Section 6.8 of this Agreement; provided, however, that such limitations shall not apply to any Losses that result from or arise out of fraud by Buyer.

(b) Mitigation. Notwithstanding anything to the contrary contained herein, the amount of any Losses incurred or suffered by any Claimant will be calculated after giving effect to (i) any insurance proceeds or other third party indemnification proceeds actually recovered and paid to the Claimant. Claimant shall use commercially reasonable efforts to claim and recover any such Losses under any other available insurance policies or other third party indemnities to the same extent Claimant and its Affiliates, as determined in their reasonable, discretion, would otherwise do so for Losses not indemnified hereunder (any such recoveries, "**Other Benefits**"). A Claimant shall remit promptly to the Indemnifying Party any such Other Benefits paid to the Claimant with respect to Losses for which such Person has been previously compensated pursuant to this Section 9, net of all reasonable attorneys' fees and out of pocket expenses incurred by Claimant (or by its Affiliates on Claimant's behalf) in connection with obtaining such proceeds.

9.5 Subrogation. Upon making any indemnity payment pursuant to Section 9.2(a) (including, for the avoidance of doubt, any payment made from the Indemnity Escrow) or Section 9.2(b), as applicable, the Indemnifying Party shall be subrogated to all rights of the Claimant, as applicable, against any Third Party in respect of the Losses to which the payment relates; provided, however, with regards to claims against CBS or those vendors set forth on **Schedule 9.5**, there shall be no right of subrogation. The parties will promptly execute upon request all instruments reasonably necessary to evidence and perfect the subrogation rights described in this Section 9.5.

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

10. Termination; Etc..

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

(a) by written agreement of Buyer and Seller;

(b) by Buyer: (i) if Seller is in Material breach or Default of its representations, warranties, covenants or obligations under this Agreement, and either (A) such Material breach or Default on the part of Seller shall not have been cured or waived within thirty (30) days after written notice thereof from Buyer to Seller or (B) Seller shall not have provided reasonable assurance to Buyer that such Material breach or Default on the part of Seller shall be cured on or before the Closing Date, and such Material breach or Default is in fact not cured by then, provided that Seller shall have no right to any such cure period with respect to any Material breach or Default of Seller's obligations to execute and deliver the agreements, certificates, instruments and documents of Seller set forth in this Agreement, including Sections 7.1 and 8.1; or (ii) if the KNVN Purchaser terminated the KNVN Purchase Agreement pursuant to section 10.1(b) thereof; provided, however, that Buyer shall not have the right to terminate this Agreement pursuant to this Section 10.1(b) if Buyer is then in Material breach or Default of any of its representations, warranties, covenants or obligations under this Agreement to an extent that would give Seller the right to terminate this Agreement pursuant to Section 10.1(c).

(c) by Seller: (i) if Buyer is in Material breach or Default of its representations, warranties, covenants or obligations under this Agreement, and either (A) such Material breach or Default on the part of Buyer shall not have been cured or waived within thirty (30) days after written notice thereof from Seller to Buyer; or (B) Buyer shall not have provided reasonable assurance to Seller that such Material breach or Default on the part of Buyer shall be cured on or before the Closing Date, and such Material breach or Default is in fact not cured by then, provided that Buyer shall have no right to any such cure period with respect to any Material breach or Default of Buyer's obligations to execute and deliver the agreements, certificates, instruments and documents of Seller set forth in this Agreement, including Sections 7.2 and 8.2 or pay the Purchase Price; or (ii) if K4 Media has terminated the KNVN Purchase Agreement pursuant to section 10.1(c) thereof; provided, however, that Seller shall not have the right to terminate this Agreement pursuant to this Section 10.1(c) if Seller is then in Material breach or default of any of its representations, warranties, covenants or obligations under this Agreement to an extent that would give Buyer the right to terminate this Agreement pursuant to Section 10.1(b).

(d) by Seller (i) pursuant to Section 6.21(b) or (ii) if Buyer does not or is unable to close on or obtain sufficient Financing to pay the Purchase Price and consummate the transactions contemplated by this Agreement on the Closing Date (a “**Financing Failure**”);

(e) by Buyer or Seller if the FCC designates for a hearing the Assignment Application for FCC Consent contemplated by this Agreement; or provided, however, that right to terminate this Agreement pursuant to Section 10.1; or

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

10.2 Effect of Termination.

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

(i) If this Agreement is terminated by Seller pursuant to:

(A) Section 10.1(c); or

(B) Section 10.1(d), provided that, with respect to this clause (B) only:

(I) the Financing Termination Notice is delivered or a Financing Failure occurs for a reason other than solely from a Market Disruption Event and other than Seller’s Financing Fault; and

(II) all other conditions to Buyer’s obligation to Close set forth in Section 7.1 have been satisfied other than:

(aa) the condition set forth in Section 7.1(m); (bb) those conditions that by their nature are to be met at Closing and for which Seller is prepared to satisfy at the Closing; (cc) those conditions not met as a result of Buyer’s breach or Default of any representation, warranty, covenant, agreement or obligation under this Agreement or as a result of the delivery of any Financing Termination Notice or a Financing Failure; and (dd) the condition set forth in Section 7.1(k) not met as a result of (AA) the condition set forth in section 7.1(l) of the KNVN Purchase Agreement, (BB) those conditions that by their nature are to be met at closing under the KNVN Purchase Agreement and for which K4 Media is prepared to satisfy at such closing, and (CC) those conditions not met as a result of the KNVN Purchaser’s breach or Default of any representation, warranty, covenant, agreement or obligation under the KNVN Purchase Agreement;

then, in case of either clause (A) or clause (B), Seller shall have the right to receive, and shall be paid, the APA Deposit Escrow (plus any interest that has accrued thereon), which shall serve as liquidated damages to Seller and, anything to the contrary in this

Agreement notwithstanding, shall be the sole and exclusive remedy of Seller for Buyer's failure to consummate the Closing for any of the reasons set forth in this Section 10.2(a)(i) (it being acknowledged and agreed such liquidated damages have been computed and estimated as a reasonable forecast of probable actual loss to Seller in such event because of the difficulty of estimating with exactness the damages that would actually result and not as a penalty), and neither Buyer nor Seller shall have any other recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination);

(ii) If this Agreement is terminated by Seller pursuant to Section 10.1(d) where the Financing Termination Notice is delivered or a Financing Failure occurs as a result of a Market Disruption Event and all conditions to Buyer's obligations to Close set forth in Section 7.1 have been satisfied other than:

(A) the condition set forth in Section 7.1(m); (B) those conditions that by their nature are to be met at Closing and for which Seller is prepared to satisfy at the Closing; (C) those conditions not met as a result of Buyer's breach or Default of any representation, warranty, covenant, agreement or obligation under this Agreement or as a result of the delivery of any Financing Termination Notice or a Financing Failure; and (D) the condition set forth in Section 7.1(k) not met as a result of (x) the condition set forth in section 7.1(l) of the KNVN Purchase Agreement, (y) those conditions that by their nature are to be met at closing under the KNVN Purchase Agreement and for which K4 Media is prepared to satisfy at such closing, and (z) those conditions not met as a result of the KNVN Purchaser's breach or Default of any representation, warranty, covenant, agreement or obligation under the KNVN Purchase Agreement;

then Seller shall have the right to receive, and shall be paid, Five Hundred Thousand Dollars (\$500,000) out of the APA Deposit Escrow, which shall serve as liquidated damages to Seller and, anything to the contrary in this Agreement notwithstanding, shall be the sole and exclusive remedy of Seller for Buyer's failure to consummate the Closing for any of the reasons set forth in this Section 10.2(a)(ii) (it being acknowledged and agreed such liquidated damages have been computed and estimated as a reasonable forecast of probable actual loss to Seller in such event because of the difficulty of estimating with exactness the damages that would actually result and not as a penalty), and neither Buyer nor Seller shall have any other recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination). After Seller has received Five Hundred Thousand Dollars (\$500,000) out of the APA Deposit Escrow pursuant to this Section 10.2(a)(ii), Buyer shall have the right to receive and shall be paid the remaining balance of the APA Deposit Escrow;

(iii) If this Agreement is terminated by Buyer pursuant to (A) Section 10.1(b), (B) Section 10.1(e) or (C) Section 10.1(f), provided that, with respect to such clauses (B) and (C) only if Seller is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement, then the APA

Deposit Escrow shall be returned to Buyer without limitation of any other remedies available to Buyer;

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

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

(vi) If this Agreement is terminated by Buyer or Seller pursuant to Sections 10.1(b) through 10.1(f) at such point that each of Buyer, on the one hand, and Seller, on the other hand, is in Material breach or default of its representations, warranties, covenants or obligations under this Agreement, then the APA Deposit Escrow shall be returned to Buyer, and then neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination).

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

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

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

10.4 Specific Performance. The parties recognize and agree that each party has relied on this Agreement and expended considerable effort and resources related to the transactions contemplated hereunder, that the right and benefits conferred upon Buyer and Seller

herein are unique, and that damages may not be adequate to compensate either party in the event the other party refuses to consummate the transactions contemplated hereunder in accordance with the terms and conditions hereof. The parties therefore agree that, in addition to any and all remedies expressly set forth herein, prior to Closing, Buyer and Seller shall each be entitled, at its option and in lieu of terminating this Agreement pursuant to Section 10.1, to have this Agreement specifically enforced by a court of competent jurisdiction. For the avoidance of doubt, specific performance shall not be available against Buyer to enforce the Closing if the Financing Sources are not prepared to fund the Debt Financing at the Closing other than as a result of Buyer's breach of this Agreement or the Buyer Other Agreements or, to the extent not arising from a breach by Seller under this Agreement, the Debt Commitment Letter.

11. **Risk of Loss.** Subject to the terms and conditions of this Section 11, the risk of loss or damage to any of the Assets shall be on Seller prior to the Closing and thereafter shall be on Buyer. If any Material Asset is damaged or destroyed prior to the Closing Date (any such event being referred to as an "**Event of Loss**", and the Material Asset that is the subject of the Event of Loss, the "**Loss Asset**"), then Seller shall promptly notify Buyer in writing of the Event of Loss. The notice shall specify with particularity the loss or damage incurred, the cause of the Event of Loss, if known or reasonably ascertainable, and the applicable insurance coverage, if any. If Seller elects in its sole discretion to repair, replace or restore the Loss Asset and the Loss Asset so damaged or destroyed cannot be completely repaired, replaced or restored by the scheduled date of the Closing but can be accomplished within ninety (90) days after that date, then the date of the Closing shall be postponed for up to that 90-day period to allow Seller an opportunity to repair, replace or restore the Loss Asset. If Seller does not elect to repair, replace or restore the Loss Asset or if the repair, replacement or restoration thereof cannot be accomplished within that 90-day period or if the Stations are off of the air for twelve (12) days within any thirty (30) day period, Buyer may elect, by written notice to Seller within twenty (20) days after Buyer has received notice that an Event of Loss has occurred or that the repair, replacement or restoration cannot be so completed, the parties shall proceed to Closing, and upon or after the Closing, Seller shall reimburse Buyer for all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the damaged Assets or assign to Buyer the applicable portion of any insurance proceeds not previously expended by Seller to repair or replace the damaged Asset after the Effective Time.

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

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

"Affiliate" of a Person means (i) any Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person or (ii) any director, partner, member, officer, manager, agent employee or relative of such Person. For the purposes of this definition "control" (including with correlative meanings, the terms

“controlling,” “controlled by,” and “under common control with”) as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership or voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the Preamble.

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

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

“**APA Deposit Escrow**” means that certain One Million Seven Hundred Fifty Thousand Dollar (\$1,750,000) payment to the Deposit Escrow Agent to hold in escrow pursuant to the terms of the Deposit Escrow Agreement.

“**Assets**” means all of the assets owned, leased or licensed by Seller and used, directly or indirectly, useful or held for use in the operation of the business of the Stations (excluding only the Excluded Assets), which assets include all of Seller’s right, title and interest in and to the following:

(a) the FCC Licenses (including any pending applications therefor or renewals thereof) related to KHSL, including those listed on **Schedule 1.1(a)** and the Antenna Structure Registrations;

(b) to the extent transferable to Buyer, the Licenses (and all pending applications therefor or renewals thereof) of Seller (other than the FCC Licenses) related, directly or indirectly, to the Stations, the operations of the Stations or the other Assets, including those listed on **Schedule 1.1(b)**;

(c) except for those assets included in the K4 Media Assets or any other Excluded Assets, all of the Stations’ equipment (including computers and office equipment), transmitting towers, transmitters, supplies, vehicles, furniture, fixtures and leasehold improvements, improvements on land being acquired by Buyer pursuant to Section 1.1, and all other tangible personal property, wherever located, that is owned by Seller and used exclusively in the operation of the Stations, including, but not limited to, the items listed on **Schedule 1.1(c)**;

(d) all Real Property, including the property listed on **Schedules 4.10(a) and (b)**;

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

(f) all rights of Seller under leases, commitments and other agreements affecting the business and operations of KHSL or the Assets, including (i) all commitments and other agreements relating to the acquisition of programming rights for KHSL, including rights to the film and videotape prints of motion pictures and television programs, with respect to programming currently being broadcast or currently scheduled to be broadcast by

KHSL (“**Programming Agreements**”), (ii) all commitments and other agreements relating to the sale of broadcast and advertising time on KHSL, (iii) all network affiliation agreements related to KHSL, (iv) the leases, commitments and other agreements listed on **Schedules 4.20(a)(i) through 4.20(a)(xiii)**, (v) any other leases, commitments and other agreements relating exclusively to the business and operations of KHSL or the Assets that are entered into consistent with the provisions of Section 6.2 between the date of this Agreement and the Closing Date; and (vi) any other outstanding offers or solicitations made by or to Seller to enter into any lease, commitment or agreement affecting KHSL or the Assets;

(g) all of Seller’s rights in connection with any “barter” transactions and “trade” agreements affecting the Stations;

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

(i) all files, logs and business records of every kind to the extent relating to the operations of the Stations, including, but not limited to, programming information and studies, technical information and engineering data, news and advertising studies or consulting reports, sales correspondence, lists of advertisers, promotional materials, credit and sales records, and, to the extent permitted by applicable Law, copies of personnel files for Transferred Employees, excluding any FCC logs, files and records or other records that are part of the K4 Media Assets;

(j) all insurance benefits, including rights and proceeds solely to the extent assigned by Seller to Buyer under Section 11;

(k) all claims of Seller against Third Parties relating to the Assets, whether choate or inchoate, known or unknown, contingent or non-contingent, in each case to the extent arising on or after the Effective Time; and

(l) all rights of Seller relating to deposits and prepaid expenses, claims for refunds and rights to offset in respect thereof solely to the extent that Seller receives a credit adjustment therefor under Sections 2.2 and 2.4;

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

“**Assignment and Assumption Instrument**” has the meaning set forth in Section 8.1(d).

“**Assumed Liabilities**” means (1) each obligation and Liability of Seller attributable to the period prior to the Closing that are reflected as a proration or adjustment under Section 2.2 and Section 2.4 in favor of Buyer, but only up to the amount of such proration or adjustment in Buyer’s favor with respect to such obligation or Liability, (2) all of the Contract Liabilities to the extent such liabilities arise or accrue on or after the Effective Time, (3) those obligations and Liabilities relating to Transferred Employees to the extent provided for in Section 6.8, and (4) any Liabilities exclusively relating to KHSL or the Assets that arise with respect to events

occurring on or after the Effective Time and that relate to any period commencing on, from or after the Effective Time.

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

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed (or actually closed) in New York City.

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

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

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

“Buyer’s 401(k) Plan” has the meaning set forth in Section 6.8(e).

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

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

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

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

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

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

“Code Section 409A” has the meaning set forth in Section 4.19(h).

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

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

“Communications Laws” has the meaning set forth in Section 4.16.

“Computer Software” means all computer programs, materials, tapes, source code and object code, Databases and compilations, including data and collections of data (subject to the provisions of Seller’s privacy policies), whether machine-readable or otherwise and all prior and proposed versions, releases, modifications, updates, upgrades and enhancements thereto, as well as all documentation and listings related thereto.

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

“Contract” means any written or oral contract, agreement, lease, or license of any kind or character (other than any License issued by a Governmental Authority) to which any Person is a party or that is binding on any Person or its securities, assets or business.

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

“Current CBS Affiliation Agreement” has the meaning set forth in Section 6.24.

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

“DBS” means direct-broadcast satellite.

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

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

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

“Deposit Escrow Agent” means Illinois National Bank.

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

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

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

Seller who provide or provided services relating to the operations of the Stations (or their dependents and beneficiaries).

“Environmental Claim” means any claim by a Governmental Authority alleging Seller has violated Environmental Laws.

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

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

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

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

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

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

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

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

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

“Excluded Assets” means the K4 Media Assets and all of the following assets and properties of Seller:

- (a) Accounts Receivable;
- (b) all cash and cash equivalents;

(c) Seller's limited liability company agreement and limited liability company records and other books and records that relate to internal limited liability company matters of Seller, Seller's account books of original entry with respect to the Stations and all original accounts, checks, payment records, Tax returns and records and other similar books, records and information of Seller relating to the Stations and any other Assets or the K4 Media Assets prior to Closing, and duplicate copies of any records as are necessary or desirable to enable Seller and K4 Media to prepare and file Tax returns and reports, financial statements and other documents deemed necessary or desirable by Seller or K4 Media;

(d) Seller's Employee Benefit Plans and any assets thereof;

(e) current portion of Seller's deferred taxes;

(f) any and all contracts or policies of insurance and insurance plans and the assets thereof (other than insurance benefits that constitute an Asset), promissory notes, amounts due from employees, bonds, letters of credit or other similar items and any cash surrender value with respect thereto, and all rights and claims under any of the foregoing, including any insurance proceeds receivables;

(g) assets of Seller and its Affiliates not used in the operations of the Stations or not included in the Assets;

(h) all rights of Seller under this Agreement and the Other Agreements, including its right to enforce (i) the obligations of Buyer to carry out, pay, perform, discharge or otherwise fulfill the Assumed Liabilities and (ii) all other obligations of Buyer under or in connection with, as well as all other rights of Seller under or in connection with, this Agreement, the Other Agreements or any agreement, document, instrument or certificate required hereunder or thereunder;

(i) all rights and claims of Seller and all records and documents to the extent relating to any other Excluded Asset or any Retained Liability or any obligation of Buyer to indemnify Seller, including all guarantees, warranties, indemnities and similar rights in favor of Seller in respect of any other Excluded Asset or Retained Liability;

(j) all assets disposed of between the date of this Agreement and the Closing Date permitted by and in accordance with Section 6.2 of this Agreement;

(k) all advances, notes, intercompany accounts and other receivables due from any of K4 Media and Seller's and K4 Media's Affiliates, members, stockholders, partners, managers, directors, officers, agents or other Representatives;

(l) the Joint Sales Agreement, the Shared Services Agreement, the Option Agreement and any other related Contracts between Seller and K4 Media and all rights of Seller thereunder;

(m) the GBC Management Agreement and all rights of Seller thereunder;

(n) the Solar Photovoltaic System and the Solar Lease and all rights of Seller thereunder; and

(o) those assets listed on **Schedule 12(A)**.

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

“**FCC Licenses**” means all licenses, permits and authorizations issued to Seller by the FCC relating to the operation of KHSL, or any pending applications, including those listed on **Schedule 1.1(a)** and any renewals or modifications thereof between the date hereof and Closing.

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

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

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

“**Financial Statements**” means (a) the audited consolidated balance sheets and related consolidated statements of operations, members’ equity and cash flows of Seller and K4 Media for the fiscal years ended December 31, 2014 and 2013 and (b) the unaudited unconsolidated balance sheets of Seller and K4 Media as of April 30, 2015 and the related unconsolidated and consolidated statements of income for the four (4) month period then ended (such unaudited Financial Statements sometimes referred to herein as, the “**Interim Financial Statements**”).

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

“**Financing Failure**” has the meaning set forth in Section 10.1(d).

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

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

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

“**GBC Management Agreement**” means the Management Services Agreement, dated as of May 6, 2013, by and between Seller and GOCOM Broadcasting Corporation, a Delaware corporation.

“**Guarantee**” has the meaning set forth in Section 9.2(d).

“**Gorman**” has the meaning set forth in Section 6.5.

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

“Hazardous Substance” means any hazardous or toxic, substance, material, or waste (as those terms are defined by any applicable Environmental Laws), including petroleum, petroleum products, oil, hydrocarbon, radioactive matter or any other pollutants, contaminants or regulated materials.

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

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

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

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

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

“Intellectual Property” means the following and/or rights with respect to the following: (i) patents and pending patent applications, together with any and all continuations, divisions, reissues, extensions and renewals thereof, (ii) trade secrets, know-how, inventions, formulae and processes, whether trade secrets or not, (iii) trade names, trademarks, service marks, logos, jingles, slogans, assumed names, brand names and all registrations and applications therefor together with the goodwill of the business symbolized thereby, (iv) copyrights and any registrations and applications therefor, (v) Computer Software, and (vi) internet domain names and Internet web site addresses and all related web site content.

“Interim Balance Sheet” means the interim balance sheet of Seller as of April 30, 2015 included in the Interim Financial Statements.

“Interim Balance Sheet Date” means the date of the Interim Balance Sheet.

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

“Joint Sales Agreement” means the Amended and Restated Joint Sales Agreement, dated as of May 6, 2013, by and between Seller and K4 Media, as amended.

“K4 Media” has the meaning set forth in the Background.

“K4 Media Assets” has the meaning set forth in the Background and on **Schedule 12(B)**.

“Knowledge” (or any variation of the word **“Know”**) means, (i) with respect to Seller, the actual knowledge of Richard L. Gorman and Peter O’Brien, and (ii) with respect to Buyer, Robert S. Prather, Jr. and Barry Boniface.

“KNVN” has the meaning set forth in the Background.

“KNVN Parties” shall mean collectively K4 Media and the KNVN Purchaser.

“KNVN Purchase Agreement” shall mean that certain Asset Purchase Agreement, dated as of the date hereof, by and between K4 Media and Maxair Media, LLC, a Delaware

limited liability company (the “**KNVN Purchaser**”), pursuant to which the KNVN Purchaser shall purchase the K4 Media Assets contemporaneously with the Closing hereunder.

“**KNVN Purchase Price**” shall mean the “Purchase Price” as such term is used and defined in the KNVN Purchase Agreement.

“**KNVN Transaction**” shall mean the transaction to be completed at the closing under the KNVN Purchase Agreement, including the purchase of the K4 Media Assets.

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

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

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

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

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

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

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

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

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

“Loss” means any and all losses, liabilities, costs, expenses, obligations, and claims, including (i) interest, penalties and reasonable attorneys’ fees and expenses, (ii) reasonable attorneys’ fees and expenses necessary to enforce rights to indemnification hereunder, and (iii) consultant’s fees and other costs of defense or investigation, and interest on any amount payable to a Third Party as a result of the foregoing.

“Market Disruption Event” shall mean there is an extraordinary disruption in financial markets occurring after the date of this Agreement and continuing through the Outside Termination Date that results generally in the unavailability through the Outside Termination Date of debt financing for transactions comparable to the transactions contemplated herein and debt financing or alternative debt financing for Buyer to consummate the transactions contemplated herein is in fact unavailable through the Outside Termination Date, notwithstanding Buyer’s compliance with its obligations set forth in Section 6.21 hereof.

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

“Material Adverse Change” or **“Material Adverse Effect”** means with respect to Seller any Material adverse change in or effect on (i) the business, operations, assets, Liabilities, financial condition, or results of operations of the Seller or with respect to the Stations considered together and in each case taken as a whole, or (ii) the ability of Seller to consummate the transactions contemplated by this Agreement or any of the Seller Other Agreements to which Seller is or will be a party, or (iii) the ability of Seller to perform any of its Material obligations under this Agreement or any of the Seller Other Agreements to which it is or will be a party, if such change or effect impairs the ability of such Seller to perform its Material obligations hereunder or thereunder, taken as a whole, except in any case (i) through (iii), for any such changes or effects resulting from or attributable to, directly or indirectly, (A) the transactions contemplated by this Agreement, the Other Agreements, taking of any action contemplated by or required hereby or thereby or with Buyer’s consent, or at Buyer’s written request, (B) the announcement or other permitted disclosure of the transactions contemplated by this Agreement, (C) any federal or state governmental actions, including, without limitation, proposed or enacted legislation or other regulatory changes affecting television programming services generally or the television broadcast industry generally, so long as such changes do not have a substantially disproportionate effect on the Stations considered together compared to other participants in the television broadcasting industry, (D) matters generally applicable to television programming services or the television broadcasting industry generally, so long as such changes do not have a substantially disproportionate effect on the Stations considered together compared to other participants in the television broadcasting industry, (E) changes in general economic conditions nationally and locally (including, without limitation, financial and capital markets) so long as such conditions do not have a substantially disproportionate effect on the Stations considered together compared to other participants in the television broadcasting industry, (F) actions taken by Buyer, the KNVN Purchaser or their respective Representatives and Affiliates, (G) global, national or regional political conditions, including hostilities, military actions, political instability, acts of terrorism or war or any escalation or material worsening of any such hostilities, military actions, political instability, acts of terrorism or war existing or underway as

of the date hereof (other than any of the foregoing that causes any damage or destruction to or renders unusable any Material Assets), as long as the changes resulting therefrom do not have a substantially disproportionate effect on the Stations considered together compared to other participants in the television broadcasting industry, (H) any failure to meet internal or published financial or rating projections, estimates or forecasts of revenues, earnings, or other measures of financial or operating performance for any period (provided, however, that the underlying causes of such failure described in this clause (H) (subject to the other provisions of this definition) shall not be excluded), (I) changes in Law or accounting rules or principles, including GAAP or the interpretation thereof, so long as such changes resulting therefrom do not have a substantially disproportionate effect on the Stations considered together compared to other participants in the television broadcasting industry; or (K) the renewal of the CBS television network on market terms and conditions.

“Material Advertisers” has the meaning set forth in Section 4.20(c).

“Material Business Contracts” has the meaning set forth in Section 4.20(d).

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

“Non-Competition Agreement” has the meaning set forth in Section 6.11.

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

“Option Agreement” means the Option Agreement, dated as of May 6, 2013, by and between K4 Media and Seller, as amended, together with all related agreements.

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

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

“Other Benefits” has the meaning set forth in Section 9.4(c).

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

“Permitted Lien” means (i) Liens for Taxes on the Assets not yet due and payable; (ii) inchoate statutory Liens that were created in the ordinary course of business and which will be discharged prior to Closing; (iii) restrictions imposed by or rights granted to Governmental Authorities under applicable Law and all rights, limitations, exceptions and restrictions that are set forth in any License or Contract disclosed in the Schedules to this Agreement; (iv) zoning, building or similar restrictions relating to or affecting property to the extent Seller is not in

breach in any Material respect thereof; (v) those Liens that secure amounts owed by Seller to its creditors for indebtedness for borrowed money that are to be discharged and released concurrently with the Closing or for which arrangements therefor have been made as of Closing or for which the relevant creditors have agreed in writing to authorize Seller or Buyer to arrange for their release concurrently with the Closing or for which arrangements therefor have been made as of Closing by a pay-off letter in form and substance reasonably satisfactory to Buyer; (vi) easements, rights-of-way, covenants, conditions, restrictions and other similar encumbrances on real property and encroachments that, in the aggregate, are not Material in amount or effect, and that do not in any case Materially detract from the value of the properties subject thereto or Materially interfere with the ordinary conduct of the business thereon; (vii) standard printed exceptions set forth in title policies, reports or commitments, except for those exceptions that could be removed prior to Closing with Seller's commercially reasonable cooperation; (viii) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other Liens arising in the ordinary course of business and that secure only amounts or obligations that are not due and payable as of the date in question; (ix) pledges or deposits in connection with worker's compensation, unemployment insurance and other social security legislation; (x) statutory landlord Liens or other landlord Liens contained in the Leases; and (xi) all matters disclosed on **Schedule 4.9** as "continuing", including leasehold interests (and obligations thereunder) in real property owned by others and operating leases for personal property and leased interests in property leased to others.

"Permitted Updates" has the meaning set forth in Section 6.12.

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

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

"Plan" has the meaning set forth in Section 4.19(h).

"Programming Agreement" has the meaning set forth in the definition of "Assets."

"Prohibited Transaction" means a transaction that is prohibited under section 406 of ERISA (and not exempt under Section 408 of ERISA or the regulations thereunder) or Section 4975 of the Code (and not exempt under section 4975(d) of the Code or the Treasury Regulations thereunder).

"Purchase Price" has the meaning set forth in Section 2.1.

"Real Property" means the Owned Real Property and the Leased Real Property.

"Real Property Assignment and Assumption Instrument" has the meaning set forth in Section 8.1(e).

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

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

“Related Party” any of the following: (a) each individual who is, or who has in the past two (2) years been, an officer or other representative of Seller; (b) any spouse, parent, child or sibling of each of the individuals referred to in clause “(a)” above; and (c) any Person (other than Seller) in which any one of the individuals referred to in clauses “(a)” and “(b)” above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a controlling interest or a voting or equity interest material to such Person.

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

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

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

- (a) any Liabilities for any Taxes of Seller;
- (b) any Liabilities relating to current or former assets of Seller not being acquired by Buyer pursuant to this Agreement, including the Excluded Assets;
- (c) except as provided in Section 6.6, any Contract of Seller not validly assigned to Buyer;
- (d) any Liability incurred by Seller as a result of any Default by Seller under any provision of this Agreement or the Seller Other Agreements or any Default in existence prior to the Closing under any Contract that is part of the Assets;
- (e) except as provided in Section 6.8, any Liability of Seller to pay bonuses or other compensation to employees of Seller solely on account of the transactions contemplated by this Agreement;
- (f) any Undisclosed Liability;
- (g) except as provided in Section 6.8, any Liability of Seller or an Affiliate of Seller, of any nature whatsoever, to any current or former officer, director, manager, employee, member, shareholder, partner of Seller or such Affiliate of Seller;
- (a) except for the Assumed Liabilities, any Liability (including any Liability relating to any Litigation) relating to, based upon, or arising out of (A) the conduct of

the business of KHS� or the ownership of the Assets or (B) any act, omission, transaction, circumstance, sale of goods or services, state of facts or other condition which occurred or existed prior to the Closing Date, whether or not then known, due or payable and whether or not disclosed, in each of the foregoing cases related to the operation of KSHL by Seller or the ownership of the Assets by Seller to the extent related to the period prior to the Closing Date;

(b) any Liability that Buyer may incur in connection with any Litigation brought against Buyer under the Worker Adjustment and Retraining Notification Act or any similar Law that relates to actions taken by Seller with regard to any employees or any site employment;

(c) any Liability of Seller arising from any Environmental Matter;

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

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

(f) any Liability related to an Excluded Asset.

“Retransmission Agreements” has the meaning set forth in Section 4.20(a)(xii).

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

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

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

“Seller’s Basket” has the meaning set forth in Section 9.3(a).

“Seller’s Financing Fault” has the meaning set forth in Section 6.21(c).

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

“Shared Services Agreement” means the Amended and Restated Shared Services Agreement, dated as of May 6, 2013, by and between Seller and K4 Media, as amended.

“Solar Lease” has the meaning set forth in Section 6.23.

“Solar Photovoltaic System” has the meaning set forth in Section 6.23.

“Stations” has the meaning set forth in the Background above, provided that such term with respect to KNVN shall mean KNVN to the extent of Seller’s assets and activities with respect to KNVN under the Joint Sales Agreement and the Shared Services Agreement.

“Station Employee” has the meaning set forth in Section 4.21.

“Station Intellectual Property” means the Intellectual Property owned, licensed or used by or on behalf of Seller solely in connection with the operation of the Stations (excluding any Intellectual Property included in the K4 Media Assets).

“STELAR” has the meaning set forth in Section 6.2(k).

“Surveys” has the meaning set forth in Section 6.17.

“Survival Period” has the meaning set forth in Section 9.1.

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

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

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

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

“Title Commitments” has the meaning set forth in Section 6.17.

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

“Treasury Regulations” means the final or temporary regulations promulgated under the Code by the United States Department of the Treasury, as amended and in effect from time to time.

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

“Unclaimed Indemnity Escrow” means, as of any date of determination an amount equal to (a) the amount then remaining in the Indemnity Escrow, *minus* (b) the good faith estimate of any outstanding and unpaid indemnification Third Party Claim made pursuant to Section 9.2 (whether disputed or undisputed).

“Undisclosed Liabilities” means any Material Liability of Seller related to the Stations as of the date of determination that is (i) not appropriately reflected or reserved against in any of the Financial Statements, (ii) not disclosed in a Schedule, (iii) not an Assumed Liability, (iv) not incurred in the ordinary course of business since the Interim Balance Sheet Date, or (v) incurred with the approval of Buyer pursuant to Section 6.2.

“**WARN Act**” has the meaning set forth in Section 4.21(f).

13. Miscellaneous

13.1 Notices. Any notice or other communication under this Agreement shall be in writing and shall be considered given when delivered personally or when mailed by registered mail, return receipt requested, or delivered by electronic transmission (such as fax or email), in each case, with automatic delivery receipt requested, between the hours of 9:00 AM and 5:00 PM EST (or EDT as applicable) (any delivery after 5PM EST (or EDT as applicable) will be considered delivered the next day) to the parties at the addresses set forth below (or at such other address as a party may specify by notice to the other):

If to Buyer:

Robert S. Prather
3282 Northside Parkway
Suite 275
Atlanta, GA 30327
Attention: Robert S. Prather, Jr.
Fax:
Phone: (404) 583-9200
Email: bob@heartlandtv.com

With a copy to:

MSouth Equity Partners
Two Buckhead Plaza
3050 Peachtree Road, NW, Suite 550
Atlanta, Georgia 30305
Attention: Ryan Leach
Fax: (404) 816-3258
Phone: (404) 816-3255 ext. 105
Email: Rleach@MSouth.com

and with a copy (which will not constitute notice) to:

Sutherland Asbill & Brennan LLP
999 Peachtree St, NW, Suite 2300
Atlanta, GA 30309
Attention: Wade Stribling
Fax: (404)853-8864
Phone: 404.853.8194
Email: Wade.Stribling@sutherland.com

if to Seller:

GOCOM Media of Northern California LLC

c/o GOCOM Broadcasting Corporation
200 Main Street, Suite 201B
Hilton Head Island, SC 29926
Attention: Richard L. Gorman
Telephone: (843) 342-4405
Email: ricgorman@gmail.com

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

Wyrick Robbins Yates & Ponton LLP
The Summit
4101 Lake Boone Trail, Suite 300
Raleigh, North Carolina 27607
Attention: Stephen C. Brissette
Telephone No.: 919.781.4000
Email: sbrissette@wyrick.com

13.2 Entire Agreement; Amendment. This Agreement, including the Schedules and Exhibits hereto, the Other Agreements, and the Non-Disclosure Agreement contain a complete statement of all the arrangements between the parties hereto and thereto with respect to their subject matter and supersede all prior agreements and understandings between or among them relating to that subject matter. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

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

13.4 Governing Law; Jurisdiction; Specific Performance.

(a) This Agreement shall be governed by and construed in accordance with the law of the State of Delaware, without regard to its principles of conflict of law to the extent they would result in the application of the laws of another jurisdiction.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER OR SELLER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

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

13.6 Assignment. No party may assign this Agreement or any of its rights, interests or obligations or delegate any of its duties under this Agreement without the consent of

the other; provided, however, that, without the consent of Seller, Buyer may (i) assign this Agreement, in whole or in part to any direct or indirect wholly-owned subsidiary of Buyer, (ii) collaterally assign all or any portion of its rights under this Agreement to its lender or lenders, equity sponsor or sponsors or other financing source or sources in connection with obtaining any financing (or any refinancing thereof), and (iii) after the Closing, to any purchaser(s) of all or substantially all of the Assets from Buyer; provided, however, that in any case (i), (ii) or (iii) such assignment does not terminate Buyer's indemnification obligations or Buyer's other obligations and liabilities under this Agreement.

13.7 Publicity. No party shall publish, issue or make any press release or make any other public announcement concerning this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other party, which shall not be withheld or delayed unreasonably; provided, however, that (i) nothing contained in this Agreement shall prevent any party, after notification to the other party to the extent legally permissible, from making any filings with Governmental Authorities that, based on advice of legal counsel, may be required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, (ii) the parties acknowledge and agree that a copy of this Agreement will need to be filed with the Assignment Application and made publicly available in the Stations' public inspection files, and (iii) Seller shall be permitted to publish and broadcast public notices concerning the filing of the Assignment Application in accordance with the requirements of Section 73.3580 of the FCC's rules.

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

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

13.10 Rules of Construction. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular. Without limiting the generality of the foregoing, it is hereby acknowledged and agreed that the terms "Station" or "Stations" shall include and mean, as applicable, the applicable Station or Stations individually and not just the Stations collectively or as a group. The words "include," "includes" and "including" shall be deemed to be followed by the phrase

“without limitation.” All references to “party” and “parties” shall be deemed references to parties to this Agreement unless the context shall otherwise require. Except as specifically otherwise provided in this Agreement, a reference to an Article, Annex, Section, Schedule or Exhibit is a reference to an Article, Annex, Section, Schedule or Exhibit of this Agreement. The term “or” is used in its inclusive sense (“and/or”) and, together with the terms “either” and “any” shall not be exclusive. When used in this Agreement, words such as “herein,” “hereinafter,” “hereby,” “hereof,” “hereto,” “hereunder” and words of similar import shall refer to this Agreement as a whole, including Annexes, Schedules and Exhibits hereto, and not to any particular provision of this Agreement, unless the context clearly requires otherwise. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. All schedules to this Agreement are incorporated by reference and made a part of this Agreement. Disclosure of information included on any disclosure schedule (or portion of any disclosure schedule) shall be considered disclosures for all other disclosure schedules (or other portions of other disclosure schedules) to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other disclosure schedules (or other portions of disclosure schedules). In addition, (a) the fact that any disclosure on any schedule is not required to be disclosed in order to render the applicable representation or warranty to which it relates true, or that the absence of such disclosure on any schedule would not constitute a breach of such representation or warranty, shall not be deemed or construed to expand the scope of any representation or warranty hereunder or to establish a standard of disclosure in respect of any representation or warranty and (b) disclosure of a particular matter on any schedule shall not be construed to mean that such matter is Material or would reasonably be expected to have a Material Adverse Effect.

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

13.12 Seller’s Accounts Receivable.

(a) Sellers shall create, and Buyer will fully cooperate with respect thereto as reasonably requested by Sellers, and deliver to Buyer within ten (10) Business Days after the Closing Date a complete and detailed statement of the Accounts Receivable, showing the name, amount and age of each Account Receivable arising out of the operation of the Stations prior to the Effective Time. For a period of six (6) months after the Closing Date, Buyer will use commercially reasonable efforts to collect Seller’s Accounts Receivable and in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable, except that Buyer will not be required to engage collection agencies or legal counsel or institute any action or proceeding to collect the Accounts Receivable. Buyer shall not make any such referral or compromise, settle or adjust the amount of any Account Receivable, except with the prior written approval of Seller (which approval shall not be unreasonably withheld, conditioned or delayed).

(b) Buyer will collect Seller’s Accounts Receivable for the account of Seller and will remit to Seller on or before the tenth (10th) day of each calendar month any funds

received by Buyer from Seller's Accounts Receivable without set off or deduction during the previous calendar month, together with a reasonably detailed accounting of Seller's Accounts Receivable. Unless otherwise specified by an account debtor, Buyer will apply all Accounts Receivable that Buyer collects first to any pre-Closing indebtedness of the account debtor, and then to any post-Closing indebtedness of the account debtor.

(c) Upon the expiration of the six (6) month period after the Closing Date, Buyer shall pay to Sellers all remaining amounts collected with respect to Accounts Receivable without setoff or deduction of any kind and deliver to Seller copies of all records relating to Seller's uncollected Accounts Receivable. Any amounts received by Buyer after the Collection Period expires that can be readily identified as a payment of Seller's Accounts Receivable will be paid over to Sellers without setoff or deduction of any kind as promptly as reasonably practicable.

13.13 Saturdays, Sundays and Legal Holidays. If the time period by which any acts or payments required hereunder must be performed or paid expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regularly scheduled Business Day.

13.14 No Reliance. No Person other than the parties hereto, the Buyer Indemnified Parties and the Seller Indemnified Parties is entitled to rely on any of the representations, warranties, covenants, agreements, rights or remedies of Seller or Buyer under or by virtue of this Agreement, and (ii) Seller and Buyer assume no liability to any such Person because of any reliance on the representations, warranties, agreements, rights or remedies of Seller or Buyer under or by virtue of this Agreement.


[SIGNATURES ON FOLLOWING PAGE]

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

BUYER:

CALIFORNIA TV, LLC

By: _____

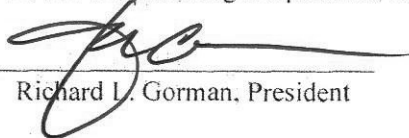

Robert S. Prather, Jr., Chief Executive Officer

SELLER:

GOCOM MEDIA OF NORTHERN CALIFORNIA, LLC

By: GOCOM Broadcasting Corporation, its Manager

By: _____


Richard L. Gorman, President