

OPTION EXERCISE AGREEMENT

This **OPTION EXERCISE AGREEMENT** (this “*Agreement*”) is made and entered into as of February 28, 2013, by and between **SAGAMOREHILL OF CAROLINA LLC**, a Delaware limited liability company (together with its successors and permitted assigns, “*SagamoreHill*”), **SAGAMOREHILL OF CAROLINA LICENSES LLC**, a Delaware limited liability company (together with its successors and permitted assigns, “*SagamoreHill Licenses*,” and together with SagamoreHill, “*Grantor*”), and **BARRINGTON MYRTLE BEACH LLC** a Delaware limited liability company, as successor in interest to **BARRINGTON BROADCASTING SOUTH CAROLINA CORPORATION**, a Delaware corporation, (together with its successors and permitted assigns, “*Option Holder*”). Capitalized terms used and not defined herein shall, unless otherwise specified, have the meanings ascribed thereto in the Option Agreement (as defined below).

WITNESSETH:

WHEREAS, Grantor owns certain assets used in the operation of television station WWMB(TV), Florence, South Carolina (“*WWMB*”), including the FCC Licenses and the TBA;

WHEREAS, Option Holder and Grantor are parties to that certain Option Agreement, dated July 19, 2005, and amended as of February 3, 2006 and August 11, 2006 (the “*Option Agreement*”), pursuant to which, among other things, Grantor has granted Option Holder an option to purchase the WWMB Assets on the terms and conditions set forth therein (the “*Option*”);

WHEREAS, this Agreement is being entered into in connection with the execution of that certain Asset Purchase Agreement, dated as of the date hereof (the “*Purchase Agreement*”), by and among (i) Barrington Broadcasting LLC, a Delaware limited liability company (“*Barrington*”), (ii) Barrington Broadcasting Group LLC (“*Barrington Broadcasting*”), (iii) those certain Barrington OpCos, as named and defined therein, (iv) those certain Barrington Licensees, as named and defined therein (together with the Barrington OpCos, Barrington Broadcasting, and Barrington, the “*Seller*”), and (v) Sinclair Television Group, Inc., a Maryland corporation (“*Buyer*”), pursuant to which Buyer or its Qualified Assignee (as defined below) will purchase, among other assets, Seller’s rights in the SH Purchased Assets (as defined in the Purchase Agreement);

WHEREAS, *Exhibit A* to this Agreement sets forth a complete list of the WWMB Assets, which assets constitute the SH Purchased Assets; and

WHEREAS, Option Holder desires to exercise the Option, and Option Holder and Grantor desire to make arrangements for the orderly implementation of the Option exercise, pursuant to the terms of the Option Agreement, and the assignment and transfer of the WWMB Assets to the Buyer and to that certain Qualified Assignee (as defined in and as contemplated by the Purchase Agreement) (“*Qualified Assignee*”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

1. **OPTION EXERCISE.** In connection with Seller's execution and delivery of the Purchase Agreement and pursuant to Section 4(a) of the Option Agreement, Option Holder hereby exercises the Option. This Agreement shall be deemed to constitute the Exercise Notice contemplated by Section 4(a) of the Option Agreement, which, except as otherwise specifically provided herein, shall be subject to the terms and conditions therein.

2. **PURCHASE PRICE; CLOSING.**

(a) At the Option Closing, Option Holder shall pay Grantor the Cash Purchase Price payable pursuant to, and as calculated under, the Option Agreement with respect to the WWMB Assets. Notwithstanding anything to the contrary contained in the Option Agreement and subject to the FCC Consent having been obtained, the Option Closing shall occur simultaneously with the closing of the transactions contemplated by the Purchase Agreement.

(b) **Exhibit B** of this Agreement sets forth a complete list of all of the outstanding debt of Grantor with respect to WWMB (separately listing each item of debt, the related creditor and all relevant contact information) (each, a "**Company Lender**"), in each case as of the date hereof. On the Closing Date (as defined in the Purchase Agreement), Grantor shall deliver to Option Holder a payoff letter from each creditor for all outstanding debt of Grantor with respect to WWMB (collectively, the "**Lender Payoff Letters**") providing for the complete repayment as of the Closing of all outstanding debt of Grantor with respect to WWMB and related to or secured by the WWMB Assets as of immediately prior to the Closing Date to such Company Lender and the complete release of any encumbrance such Company Lender may have against Grantor or any of the WWMB Assets, along with appropriate supporting documentation, all conditioned upon receipt of the funds specified as owed or due to such Company Lender in such Payoff Letter and in a form reasonably satisfactory to Option Holder, provided, however, that Option Holder shall cooperate with and provide reasonable assistance to Grantor in connection with Grantor's obligations under this Section 2(b), and *provided, further, however*, that the remedies of each party hereto with respect to the obligations and covenants of the other under this paragraph 2(b) shall be limited solely to the remedy of specific performance.

3. **ASSIGNMENT OF RIGHTS UNDER OPTION AGREEMENT; CLOSING MECHANICS.**

(a) As provided in Section 19 of the Option Agreement, Option Holder may assign its rights and obligations under the Option Agreement to any other party or parties without the consent of Grantor; *provided* that Option Holder shall not thereby be released of its obligations thereunder. Pursuant to Section 19 of the Option Agreement and in connection with the transactions contemplated by the Purchase Agreement, Option Holder hereby (i) assigns its rights and obligations under the Option Agreement, with respect to the WWMB Assets being transferred under the Purchase Agreement as SH Purchased Assets, to Buyer, subject to assignment to Qualified Assignee pursuant to Section 7.01 and Section 13.06 of the Purchase Agreement and (ii) instructs Grantor, and Grantor agrees, to execute and deliver, at the Closing, the conveyancing documents set forth in Section 11 of the Option Agreement, as modified by the conveyancing

documents contemplated by the Purchase Agreement and attached hereto as *Exhibit C*, *Exhibit D*, and *Exhibit E* to Qualified Assignee as the assignee of Buyer or to Buyer, as designated by Buyer.

(b) Grantor shall (i) agree to such modifications to the form of Assignment Agreement and other closing documents specified in the Option Agreement as Option Holder may reasonably request in order to accommodate the reasonable requirements of Seller, Buyer and Qualified Assignee and (ii) subject to Section 6 below, take all actions reasonably necessary or reasonably required by Option Holder, in each case as contemplated to be taken by Seller or Grantor in the Purchase Agreement, or such other actions as may be reasonably requested by Option Holder, to facilitate the assignment and transfer of the WWMB Assets.

(c) For the avoidance of doubt, except as specified herein solely with respect to the conveyance and delivery of the WWMB Assets to Qualified Assignee, Option Holder is not assigning any other of its rights or delegating any of its obligations under the Option Agreement (including, without limitation, any and all rights to indemnification or obligations to indemnify Grantor thereunder) to Qualified Assignee or any other party.

4. **ASSIGNMENT OF THE TBA.** For the avoidance of doubt, Grantor hereby (a) agrees to assign its rights under the TBA to Buyer, subject to assignment to Qualified Assignee, at the Closing, (b) acknowledges that under the terms of the TBA, Option Holder has the right to assign the TBA in connection with an assignment of license or transfer of control by Option Holder of broadcast station WPDE-TV, Florence, South Carolina, (c) understands that Option Holder will assign such rights in connection with the transactions contemplated by the Purchase Agreement and (d) agrees that such assignment is permissible under the TBA.

5. **FCC Approval.** Grantor and Option Holder agree that, notwithstanding anything to the contrary in Section 27(b) of the Option Agreement, the Assignment Application shall be filed within 15 days of the date of the Purchase Agreement in connection with the filing of the FCC Application (as defined in the Purchase Agreement) contemplated by Section 7.01 of the Purchase Agreement.

6. **EXPENSES.** Prior to or at the Option Closing, Grantor will deliver to Option Holder all outstanding invoices with reasonable documentation for expenses as contemplated under Section 14 of the Option Agreement (the “*Expenses*”) and Option Holder agrees to deliver to Grantor an amount in cash equal to such Expenses at the Option Closing (or sooner, if requested by Grantor); *provided, however*, that any amount paid or payable by Grantor (a) to the FCC pursuant to the terms of any tolling, assignment and escrow agreements as necessary to facilitate the grant of the FCC Application (as defined in the Purchase Agreement) and the grant of any Renewal Application (as defined in the Purchase Agreement) with respect to the FCC Licenses held by Grantor (any such agreement, a “*Tolling Agreement*”) or (b) in connection with (i) the opposition of any petitions to deny or other objections filed with respect to the FCC Application to the extent such petition or objection relates to Grantor and (ii) any requests for extension of the effective period of the FCC Consent (as defined in the Purchase Agreement), shall be deemed an Expense for purposes of this Agreement and the Option Agreement and shall be reimbursed by Option Holder promptly (and in no event later than 15 days after invoice by Grantor with reasonable documentation) following the payment therefor by Grantor and, to the extent reasonably practicable, such costs shall be advanced or reimbursed by Option Holder substantially

contemporaneously with the payment of such costs by Grantor. In the event that any amounts paid by Grantor into escrow pursuant to a Tolling Agreement and which were advanced or reimbursed by Option Holder pursuant to this Section 6, are subsequently released by the FCC to Grantor, such amounts (including any corresponding interest released therewith) shall be promptly delivered to Option Holder in accordance with written instructions provided by Option Holder to Grantor.

7. **FURTHER ASSURANCES.** Subject to the terms and conditions of this Agreement, each of the parties hereto will use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement and the Option Agreement.

8. **AMENDMENT AND MODIFICATION.** This Agreement may be amended, modified or supplemented only by written agreement of Grantor and Option Holder.

9. **WAIVER OF COMPLIANCE; CONSENTS.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.

10. **NOTICES.** Notices shall be provided for as set forth in the Option Agreement at the addresses set forth on *Exhibit F* attached hereto.

11. **ASSIGNMENT.** This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but, except as provided for herein, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by Grantor without the prior written consent of Option Holder, which consent shall not be unreasonably withheld. Without the consent of Grantor, Option Holder may assign its rights and obligations under this Agreement to any other party or parties; *provided* that Option Holder shall not thereby be released of its obligations hereunder. Any permitted assignee of Grantor or Option Holder hereunder shall be a “party” to this Agreement for all purposes hereof.

12. **NO THIRD PARTY BENEFICIARIES.** Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

13. **GOVERNING LAW.** The construction and performance of this Agreement shall be governed by the laws of the State of New York without giving effect to the choice of law provisions thereof.

14. **SEVERABILITY.** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or enforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in any acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

15. **PUBLICITY.** Neither Grantor nor Option Holder shall make or issue, any announcement (written or oral) concerning this Agreement or the transactions contemplated hereby for dissemination to the general public without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by law or the regulations of any federal or state governmental agency or any stock exchange, except that the party required to make such announcement shall provide a draft copy thereof to the other party hereto, and consult with such other party concerning the timing and content of such announcement, before such announcement is made.

16. **FCC COMPLIANCE.** Notwithstanding any provision to the contrary herein, Option Holder's rights under this Agreement are subject to the Communications Act of 1934, as amended, and the rules, regulations and published policies of the FCC.

17. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed counterpart of the Agreement by facsimile or electronic transmission will be deemed to be an original counterpart of the Agreement so transmitted.

18. **HEADINGS.** The section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

19. **ENTIRE AGREEMENT.** This Agreement, including the documents delivered pursuant to this Agreement or other written agreements referring specifically to this Agreement (other than the Purchase Agreement), together with the Option Agreement, embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. Except as expressly modified herein, the Option Agreement shall continue to be, and shall remain, in full force and effect.

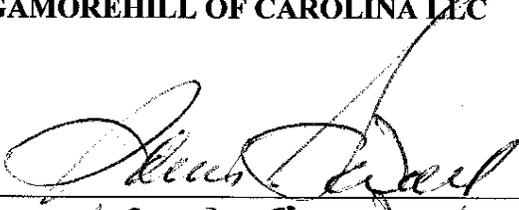
20. **TERMINATION OF THIS AGREEMENT ONLY.** In the event that, pursuant to Section 4(b) of the Option Agreement, Option Holder withdraws any Exercise Notice given pursuant to Section 1 of this Agreement, this Agreement (but not the Option Agreement) shall terminate without liability for any party, other than for (i) breach of this Agreement or the Option Agreement prior to such termination, and (ii) Option Holder's obligation to reimburse Grantor's Expenses that are accrued and outstanding and were incurred in connection with this Agreement pursuant to Section 14 of the Option Agreement and Section 6 of this Agreement. For the avoidance of doubt, the parties acknowledge and agree that nothing in this Agreement shall be construed to limit Option Holder's obligation to reimburse Grantor's expenses under Section 14 of the Option

Agreement, including, but not limited to, any unreimbursed Expenses incurred by Grantor in connection with this Agreement subsequent to the termination of this Agreement.

[Remainder of page intentionally blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Option Exercise Agreement as of the day and year first written above.

SAGAMOREHILL OF CAROLINA LLC

By: 
Name: Louis S. Ward
Title: President

SAGAMOREHILL OF CAROLINA LICENSES LLC

By: 
Name: Louis S. Ward
Title: President

BARRINGTON MYRTLE BEACH LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have executed this Option Exercise Agreement as of the day and year first written above.

SAGAMOREHILL OF CAROLINA LLC

By: _____
Name:
Title:

SAGAMOREHILL OF CAROLINA LICENSES LLC

By: _____
Name:
Title:

BARRINGTON MYRTLE BEACH LLC

By: Paul
Name: Paul McNicol
Title: Senior Vice President and Secretary