

**PURCHASE AND SALE AGREEMENT**

**BY AND BETWEEN**

**NVT TOPEKA, LLC**

**“BUYER”**

**AND**

**MONTGOMERY COMMUNICATIONS, INC.**

**“SELLER”**

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## **LIST OF EXHIBITS**

- Exhibit A - Assumption Agreement
- Exhibit B - Bill of Sale and Assignment
- Exhibit C - Buyer's Closing Certificate
- Exhibit D - Unwind Agreement
- Exhibit E - Assignment and Assumption of Contracts
- Exhibit F - Escrow Agreement
- Exhibit G - Escrow Reserve Agreement
- Exhibit H - Intangible Property Assignment
- Exhibit I - Assignment and Assumption of Leases
- Exhibit J - Assignment of FCC Licenses, Permits, and Authorizations
- Exhibit K - Seller's Closing Certificate
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## **LIST OF SCHEDULES**

Schedule 1.1	-	Assumed Liabilities
Schedule 1.2	-	Contracts
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## **PURCHASE AND SALE AGREEMENT**

This PURCHASE AND SALE AGREEMENT is made as of the 1st day of July, 2008, by and between NVT Topeka, LLC, a limited liability company organized under the laws of the State of Delaware ("Buyer") and Montgomery Communications, Inc., a corporation organized under the laws of the State of Kansas ("Seller").

### **R E C I T A L**

A. WHEREAS, Seller is engaged in the business of television broadcasting and presently owns the assets of and operates commercial Class A television broadcast stations, KTMJ-CA, Topeka, Kansas, KTLJ-CA, Junction City, Kansas, KMJT-CA, Ogden, Kansas, and KETM-CA, Emporia, Kansas (individually, a "Station" and collectively, the "Stations"); and

B. WHEREAS, Seller is willing to sell to Buyer and Buyer is willing to purchase from Seller, substantially all of the assets, business, properties and rights of Seller related to the conduct of the Stations, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the Recitals and of 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, it hereby is agreed as follows:

### **ARTICLE 1**

#### **DEFINITIONS**

1.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Accounts Receivable" shall mean all accounts receivable of Seller as of the Commencement Date (as defined in the LMA) related to the Stations, as determined in accordance with generally accepted accounting principles.

"Adjustment Amount" shall have the meaning set forth in Section 2.4(e).

"Adjustment List" shall have the meaning set forth in Section 2.4(e).

"Agreement" shall mean this Purchase and Sale Agreement, together with the Schedules and the Exhibits attached hereto, as the same shall be amended from time to time in accordance with the terms hereof.

"Assumed Liabilities" shall mean: (i) the liabilities of Seller, if any, listed on SCHEDULE 1.1; and (ii) the obligations of Seller under the Contracts and the Leases arising from and accruing with respect to the operation of the Stations after the Effective Time, except those Contracts and Leases, if any, relating to the Retained Assets.

"Assumption Agreement" shall mean an instrument in the form of EXHIBIT A attached hereto by which the Assumed Liabilities are to be accepted by Buyer.

“Benefit Arrangements” shall mean a benefit program or practice providing for bonuses, incentive compensation, vacation pay, severance pay, insurance, restricted stock, stock options, employee discounts, company cars, tuition reimbursement or any other perquisite or benefit (including, without limitation, any fringe benefit under Section 132 of the Code) to employees, officers or independent contractors that is not a Plan.

“Bill of Sale and Assignment” shall mean an instrument in the form of EXHIBIT B attached hereto, by which Seller will convey to Buyer title to the Purchased Assets.

“Business” shall mean the businesses and operations of any of the Stations conducted by Seller, including the broadcasting of television programming, the sale of commercial advertisements and all activities incidental thereto.

“Business Day” shall mean any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or is a day on which the Escrow Agent or banking institutions located in Atlanta, Georgia are authorized or required by law or other governmental action to close.

“Buyer” shall mean NVT Topeka, LLC, a Delaware limited liability company.

“Buyer’s Closing Certificate” shall mean a certificate of Buyer in the form of EXHIBIT C attached hereto.

“Cable Act” shall mean the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992).

“Cash” shall mean all monies of Seller relating to the Stations, whether in the form of cash, cash equivalents or deposits in bank accounts of any kind.

“Closing” shall mean the conference to be held at 10:00 am., Atlanta, Georgia time on the Closing Date at the offices of Locke Lord Bissell & Liddell LLP, 1900 The Proscenium, 1170 Peachtree Street, N.E., Atlanta, Georgia 30309, or at such other time and place as the parties may mutually agree to in writing, at which the transactions contemplated by this Agreement shall be consummated.

“Closing Date” shall mean (a) the date designated by Buyer upon five (5) Business Days prior written notice to Seller after the last to occur of the dates on which all requisite orders of the FCC consenting to the transactions as contemplated under this Agreement have become Final Orders; provided, however, that Buyer, in its sole discretion, may waive the requirement that the FCC Consents become a Final Order, in which event the Closing shall occur on the tenth (10th) Business Day after such waiver has been delivered in writing, in which case the parties will execute an Unwind Agreement in substantially the form attached hereto as EXHIBIT D, or (b) if later, the first (1st) Business Day following the satisfaction or waiver of the conditions precedent set forth in Article 7 and Article 8 or (c) such other date as Buyer and Seller may mutually agree upon in writing; provided, however, that the Closing Date shall not be later than December 31, 2009, except as otherwise set forth in Section 11.1. The Closing shall be deemed effective as of the Effective Time.

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

“Contract Assignment” shall mean an instrument, in the form of EXHIBIT E attached hereto, by which Seller assigns the Contracts to Buyer and Buyer assumes the then remaining rights and obligations of Seller under the Contracts.



“Contracts” shall mean those agreements (other than those included in the Retained Assets and other than the Leases) under which Seller conducts the Business, including all contractual obligations incurred by Seller for the Program Rights, all of which are listed on SCHEDULE 1.2.

“Customer Lists” shall mean all lists, documents, written information and computer tapes and programs and other computer readable media in Seller’s possession concerning past, present and potential purchasers of services from the Stations.

“Earnest Money” shall mean the sum of Sixty Thousand Dollars (\$60,000.00), to be deposited by Buyer with the Escrow Agent concurrently with the execution of this Agreement, to be held by Escrow Agent in accordance with the terms and provisions of this Agreement and the Escrow Agreement.

“Effective Time” shall mean 12:01 a.m., local Stations time, on the Closing Date.

“Environment” shall mean surface waters, ground waters, surface water sediment, soil, land, subsurface strata, ambient air and other environmental medium.

“Environmental Laws” shall mean the rules and regulations of the FCC, the Environmental Protection Agency and any other federal, state or local government authority pertaining to human exposure to RF radiation and all applicable rules and regulations of federal, state and local laws, including statutes, regulations, ordinances, codes, rules and policies, as amended, relating to the release of Hazardous Materials, emissions of air pollutants, discharge of water pollutants or the generation, treatment, storage or disposal of solid waste or otherwise relating to the Environment or Hazardous Materials or toxic substances, including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, regulations of the Environmental Protection Agency, the Toxic Substance Control Act, regulations of the Nuclear Regulatory Agency, and counterpart or similar regulations of any Kansas agency, departmental, district or board including but not limited to any state department of public health, natural resources or the environmental protection agency as now or at any time hereafter in effect.

“Equipment” shall mean all machinery, equipment, furniture, fixtures, furnishings, toolings, parts, tubes, blank films, tapes, microwaves, transponders, relays and other items of tangible personal property used or useable in the Business, including, but not limited to, those items listed on SCHEDULE 1.3.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” shall mean U.S. Bank, National Association in Atlanta, Georgia.

“Escrow Agreement” shall mean the Escrow Agreement in the form of EXHIBIT F attached hereto among Escrow Agent, Buyer and Seller to be entered into contemporaneously with the execution of this Agreement.

“Escrow Reserve” shall have the meaning ascribed to it in Section 2.5.

“Escrow Reserve Agreement” shall mean the Escrow Reserve Agreement in the form of EXHIBIT G attached hereto among Escrow Agent, Buyer and Seller.

“Event of Loss” shall mean any loss, taking, condemnation, or destruction of, or damage to, any of the Purchased Assets or any Station.

“FCC” shall mean the Federal Communications Commission.

“FCC Consent” shall mean action by the FCC granting its written consent to the assignment of the Licenses from Seller to Buyer (or Buyer’s assignee pursuant to Section 11.8).

“Final Order” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending and as to which the time for filing any such petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminate.

“Financial Statements” shall mean the unaudited financial statements of Seller described in Section 4.11(a).

“Financing Leases” shall mean any lease which is properly characterized as a capitalized lease obligation in accordance with generally accepted accounting principles.

“Hazardous Materials” shall mean any material or substance, whether solid, liquid or gaseous, which is or may be toxic or hazardous, or which could be harmful or otherwise pose a risk to health, safety or the Environment or which, alone or in any combination is regulated, prohibited or controlled pursuant to or the subject of any Environmental Law, including any toxic or hazardous substance, liquid or solid waste, pollutant, contaminant, toxic or hazardous waste, chemical, deleterious substance, source of pollution or contamination, petroleum, petroleum-based or derived substance, by-product, breakdown product or waste, crude oil or any fraction thereof, special waste, sludge, natural or synthetic gas, lead-based paint, polychlorinated biphenyls, asbestos, asbestos-containing material, urea formaldehyde or radioactive material, or terms of similar import, as defined under any applicable Environmental Law, including the laws of the State of Kansas; and any constituent of any of the aforementioned.

“Intangible Property” shall mean: (a) all patents, trademarks, service marks, copyrights (whether or not registered) and registrations and applications therefor, trade names, trade secrets, confidential know-how, designs, inventions, software, formulae, jingles, slogans, logos and similar proprietary information owned or used by, or in any way relating to, the Business, (b) all of the rights of the Seller in and to the call letters “KTMJ,” “KTLJ,” “KMJT” and “KETM” and any related Internet domain name, and (c) all goodwill associated therewith, a complete list of which (consisting of the items described in (a), (b) and (c) above) is set forth on SCHEDULE 1.4.

“Intangible Property Assignment” shall mean an instrument, in the form of EXHIBIT H attached hereto, by which Seller conveys to Buyer all of Seller’s interests in and to the Intangible Property.

“Interim Financial Statements” shall mean the unaudited financial statements of Seller described in Section 4.11(b).

“Lease Assignment” shall mean an instrument in the form of EXHIBIT I attached hereto, by which Seller shall assign to Buyer the Leases.

“Leases” shall mean those leases of real and personal property related to the Business as listed on SCHEDULE 1.5.

“License Assignment” shall mean an instrument in the form of EXHIBIT J attached hereto, by which Seller shall assign to Buyer (or Buyer’s assignee pursuant to Section 11.8) the Licenses.

“Licenses” shall mean all licenses, permits and authorizations issued by the FCC to Seller for the operation of the Stations, all of which are listed on SCHEDULE 1.6, and including any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Closing.

“LMA” shall mean that certain Local Marketing Agreement dated as of the date hereof between Buyer and Seller.

“Lien” shall mean any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, claim, lien, lease (including any capitalized lease) or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any assets or property, including any agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code of the State of Kansas or a comparable law of any jurisdiction.

“Market MVPD System” shall have the meaning ascribed to it in Section 4.19.

“Material Leases” and “Material Contracts” shall mean those Leases listed on SCHEDULE 1.5 and marked with an asterisk, and those Contracts listed on SCHEDULE 1.2 and marked with an asterisk.

“Miscellaneous Assets” shall mean all tangible and intangible assets used or useable in the operation of the Business and not otherwise specifically referred to in this Agreement, including any warranties relating to any of the Purchased Assets, excepting therefrom only the Retained Assets.

“Motor Vehicle Title Certificates” shall mean the official evidences of title to the Motor Vehicles.

“Motor Vehicles” shall mean all motor vehicles owned by Seller, including, without limitation, those listed on SCHEDULE 1.7.

“MVPD” means multichannel video programming distributor.

“Note Receivables” shall mean all notes receivable of Seller immediately prior to the Closing.

“Person” shall mean any natural person, general or limited partnership, corporation, limited liability company, firm, association or other legal entity.

“Plan” shall mean any plan, program or arrangement, whether or not written, that is or was: (a) an “employee benefit plan” as such term is defined in Section 3(3) of ERISA and (i) which was or is established or maintained by Seller, (ii) to which Seller contributed or is obligated to contribute, fund or provide benefits, or (iii) which provides or promises benefits to any Person who performs or who has performed services for Seller and because of those services is or has been (A) a participant therein or (B) entitled to benefits thereunder; (b) an “employee pension benefit plan” as such term is defined in Section

3(2) of ERISA, including, without limitation, any such plan that satisfies, or is intended by Seller to satisfy, the requirements for tax qualification described in Section 401 of the Code; (c) a "multiemployer plan" as such term is defined in Section 3(37) of ERISA; or (d) an "employee welfare benefit plan" as such term is defined in Section 3(1) of ERISA.

"Program Rights" shall mean all rights presently existing and obtained prior to the Closing, in accordance with this Agreement, by Seller to broadcast television programs or shows as part of the Stations' programming and for which Seller is or will be obligated to compensate the vendor of such Program Rights, including all film and program barter agreements.

"Purchase Price" shall mean the sum of One Million Three Hundred Thousand Dollars (\$1,300,000.00), as adjusted pursuant to Section 2.4 hereof.

"Purchased Assets" shall mean the right, title and interest of Seller in and to all assets owned or used by, or in any way relating to, the Business or the operation of the Stations, other than the Retained Assets, including but not limited to, (i) the Note Receivables, (ii) the Contracts, (iii) the Customer Lists, (iv) the Equipment, (v) the Intangible Property, (vi) the Leases, (vii) the Licenses, (viii) the Miscellaneous Assets, (ix) the Motor Vehicles, (x) the Real Property and (xi) the Records.

"Real Property" shall mean the Seller's fee simple or leasehold interest in the real property described on SCHEDULE 1.8, and all buildings, improvements and fixtures thereon, together with all strips and gores, rights of way, easements, privileges and appurtenances pertaining thereto, including any right, title and interest of Seller in and to any street adjoining any portion of the Real Property.

"Records" shall mean files and records, including schematics, technical information and engineering data, programming information, correspondence, books of account, employment records, customer files, purchase and sales records and correspondence, advertising records, files and literature, and FCC logs, files and records, and other written materials, of Seller relating to the Business.

"Retained Assets" shall mean the Cash, the Accounts Receivable, the Station Building and those items listed on SCHEDULE 1.9.

"Schedules" shall mean those schedules referred to in this Agreement which have been bound in that separate volume executed by or on behalf of the parties, and delivered concurrently with the execution of this Agreement, which volume is hereby incorporated herein and made a part hereof.

"Seller" shall mean Montgomery Communications, Inc., a Kansas corporation.

"Seller's Closing Certificate" shall mean a certificate of Seller, in the form of EXHIBIT K attached hereto.

"Station" or "Stations" shall mean individually or collectively (as the context requires) the commercial Class A television stations KTMJ-CA, Channel 43 in Topeka, Kansas, KTLJ-CA, Channel 6 in Junction City, Kansas, KMJT-CA, Channel 15 in Ogden, Kansas, and KETM-CA, Channel 17 in Emporia, Kansas.

"Station Building" means that certain building owned by the John Grey Montgomery Trust and located at 4100 SW Southgate Drive, Topeka, Kansas 66609, excluding the Purchased Assets therein and thereon.

“Station Employee” shall mean an employee of Seller who spends substantially all of his or her time working for any of the Stations as of the Closing Date, including part-time employees of any Station.

“Station Employee Benefit Plans” shall mean any Plan or Benefit Arrangement in which any current, former or retired employee of Seller participates or has participated.

“Transferred Employee” shall mean a Station Employee who becomes an employee of Buyer as contemplated by Section 10.2(a).

“Tradeout Agreement” shall mean any contract, agreement or commitment of Seller, oral or written, pursuant to which Seller has sold or traded commercial air time of any Station in consideration for property or services in lieu of or in addition to cash, excluding film and program barter agreements.

1.2 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. 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 or Section of this Agreement or an Annex, 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, Exhibits and the lists, documents and other information furnished by a party as contemplated by this Agreement, 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.

## ARTICLE 2

### PURCHASE AND SALE AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale. At the Closing on the Closing Date, and upon all of the terms and subject to all of the conditions of this Agreement, Seller shall sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase all of Seller’s right, title and interest, legal and equitable, in and to the Purchased Assets free and clear of all Liens. Notwithstanding any provision of this Agreement to the contrary, Seller shall not transfer, convey or assign to Buyer, but shall retain, all of its right, title and interest in and to the Retained Assets.

#### 2.2 Payments.

(a) At the Closing on the Closing Date, Buyer shall:

(i) cause Escrow Agent to wire transfer to Seller in immediately available funds the Earnest Money, plus any interest accrued thereon during the period the Earnest Money was held by Escrow Agent which was not delivered to Buyer;

(ii) pay to Seller, by wire transfer, in immediately available funds an amount equal to the Purchase Price as adjusted pursuant to Section 2.4, less (A) the total amount paid by Escrow

Agent in accordance with Section 2.2(a)(i), (B) the Escrow Reserve and (C) the aggregate LMA Fees (as defined in the LMA) paid by Buyer to Seller pursuant to the LMA as of Closing (including any prorated portion thereof) (provided that Buyer in its discretion may make payments out of the Purchase Price directly to lenders and equipment lessors of Seller in the amounts provided for in such parties' respective payoff letters);

(iii) wire transfer, in immediately available funds to the Escrow Agent, an amount equal to the Escrow Reserve; and

(iv) assume, from and after the Effective Time, the Assumed Liabilities pursuant to the Assumption Agreement.

(b) Upon the Commencement Date and until the Closing, Buyer shall collect the Accounts Receivable and pay the trade payables related to the Stations existing as of the Commencement Date (the "Trade Payables"); provided, however, that Buyer shall have no obligation to pay the Trade Payables to the extent the Accounts Receivable collected by Buyer do not satisfy in full the amount of the Trade Payables in which case the payment of such shortfall shall be satisfied by Seller. The parties acknowledge and agree that the Accounts Receivable shall not be included in the Purchased Assets and that Buyer is not assuming any of the Trade Payables. At Closing, Buyer shall pay to Seller by wire transfer to Seller in immediately available funds an amount equal to the positive difference (if any) between (i) the Accounts Receivable collected by Buyer during the period of time from the Commencement Date until the Closing and (ii) the Trade Payables paid during such same period of time; provided, however, that if the Closing shall not have occurred within seventy-five (75) calendar days following the Commencement Date, on such seventy-fifth (75th) calendar day following the Commencement Date, Buyer shall pay to Seller by wire transfer to Seller in immediately available funds an amount equal to eighty percent (80%) of the positive difference (if any) between (i) the Accounts Receivable collected by Buyer during the period of time from the Commencement Date until the seventy-fifth (75th) calendar day following the Commencement Date and (ii) the Trade Payables paid during such same period of time; provided further, however, Buyer shall pay to Seller on every thirtieth (30th) calendar day thereafter until the Closing Date an amount equal to eighty percent (80%) of the positive difference (if any) between (i) the Accounts Receivable collected by Buyer during such thirty (30) calendar day period and the Trade Payables paid during such same period of time, and any positive balance (if any) remaining as of the Closing Date shall be paid by Buyer to Seller at the Closing. Any Accounts Receivable collected by Buyer after the Closing Date will be paid over to Seller by the fifteenth (15th) Business Day of each month following the month in which the collection was made. Buyer may designate its responsibilities set forth in this Section 2.2(b) to any of its affiliates.

### 2.3 Closing Date Deliveries. At the Closing on the Closing Date:

(a) Seller shall deliver, or cause to be delivered to Buyer, properly executed and dated as of the Closing Date:

- (i) the Assumption Agreement;
- (ii) the Bill of Sale and Assignment;
- (iii) the Contract Assignment;
- (iv) the Lease Assignment;
- (v) the License Assignment;

- (vi) the Motor Vehicle Title Certificates;
- (vii) Seller's Closing Certificate;
- (viii) the Intangible Property Assignment;
- (ix) Estoppel Certificates from the lessors under the Material Leases in substantially the form attached hereto as EXHIBIT L;
- (x) Registered Trademark Assignment;
- (xi) the Unwind Agreement, if required; and
- (xii) such other documents as provided in Article 7 hereof or as Buyer shall reasonably request.

(b) Buyer shall deliver, or cause to be delivered to Seller, properly executed and dated as of the Closing Date:

- (i) the Assumption Agreement;
- (ii) Buyer's Closing Certificate;
- (iii) the Contract Assignment;
- (iv) the Lease Assignment;
- (v) the Unwind Agreement, if required; and
- (vi) such other documents as provided in Article 8 hereof or as Seller shall reasonably request.

#### 2.4 Adjustments to Purchase Price.

(a) Subject to Section 2.2(b) hereof and the terms of the LMA, all expenses and liabilities arising from the Purchased Assets and the Business, including tower rental, business and license fees, utility charges, real and personal property taxes and assessments levied against the Purchased Assets, property and equipment rentals, sales commissions or other fees payable, applicable copyright or other fees, including program license payments, sales and service charges, taxes (except for taxes arising from the transfer of the Purchased Assets under this Agreement and except for income taxes), any accrued expenses, employee compensation for Transferred Employees, including wages, salaries and commissions, all accrued vacation for Transferred Employees, FCC regulatory fees, music and other license fees and similar prepaid and deferred items, shall be prorated between Buyer and Seller in accordance with GAAP (to the extent not inconsistent therewith) and to effect the principle that Seller shall be responsible for all expenses, costs and liabilities allocable to the Business for the period ended immediately prior to the Effective Time, and Buyer shall receive all revenues and shall be responsible for all expenses, costs and liabilities allocable to the Business for the period commencing immediately on and after the Effective Time. For the avoidance of doubt, the prorations and adjustments in this Section 2.4 shall not apply to the Accounts Receivable or the Trade Payables, all of which are being retained by Seller subject to Section 2.2(b) hereof.

(b) Any and all rebates which, under any agreements in effect on the Closing Date, may be payable after such date to any advertiser or other user of the Stations' facilities, based in part on business, advertising or services prior to the Closing Date, shall be borne by Seller and Buyer ratably in proportion to revenues received or volume of business done by each during the applicable period. Any and all agency commissions which are subject to adjustment after the Closing based on revenue, volume of business done or services rendered in part before the Closing Date and in part on or after the Closing Date shall be borne by Seller and Buyer ratably in proportion to the revenue, volume of business done or services rendered, as the case may be, by each during the applicable period.

(c) Buyer shall receive a credit against the Purchase Price to the extent any liabilities under Tradeout Agreements on the Closing Date exceed the value of any assets from Tradeout Agreements as of the Closing Date.

(d) To the extent not inconsistent with the express provisions of this Agreement, the allocations made pursuant to this Section 2.4 shall be made in accordance with generally accepted accounting principles.

(e) Net settlement of the adjustments contemplated under this Section 2.4 shall be made at the Closing to the extent feasible. For items not readily subject to ascertainment at the Closing, the following procedures shall apply. Buyer shall prepare and deliver to Seller within one hundred twenty (120) Business Days following the Closing Date, or such later date as shall be mutually agreed to by Seller and Buyer, an itemized list (the "Adjustment List") of all sums to be credited to or charged against the account of Buyer, with a brief explanation thereof. Such list shall show the net amount credited to or charged against the account of Buyer (the "Adjustment Amount"). If the Adjustment Amount is a credit to the account of Buyer, Seller shall pay such amount to Buyer. If the Adjustment Amount is a charge to the account of Buyer, Buyer shall pay such amount to Seller. Except as provided otherwise in Section 2.4(f), payment of the Adjustment Amount shall be made not later than ten (10) Business Days following the delivery of the Adjustment List.

(f) Not later than sixty (60) Business Days following the delivery of the Adjustment List, Seller may furnish Buyer with written notification of any dispute concerning any items shown thereon or omitted therefrom together with a detailed explanation in support of Seller's position in respect thereof. Buyer and Seller shall consult to resolve any such dispute for a period of sixty (60) Business Days following the notification thereof. In the event of any such dispute, that portion of the Adjustment Amount that is not in dispute shall be paid to the party entitled to receive the same on the day for payment provided in Section 2.4(e). If such sixty (60) Business Day consultation period expires and the dispute has not been resolved, the matter shall be referred to an independent public accounting firm mutually agreed upon by Seller and Buyer (the "Accountants"), which shall resolve the dispute and shall render its decision (together with a brief explanation of the basis therefor) to Buyer and Seller not later than twenty (20) Business Days following submission of the dispute to it; provided, however, if Buyer and Seller are unable to mutually agree upon an independent public accounting firm, then Buyer and Seller shall each choose an independent public accounting firm and those firms shall appoint a third independent public accounting firm to act as the Accountants. The disputed portion of the Adjustment Amount shall be paid by the party required to pay the same within ten (10) Business Days after the delivery of a copy of such decision to Seller and Buyer. The fees and expenses of the Accountants shall be shared equally by Seller and Buyer.

(g) The Adjustment List (to the extent not disputed within the specified period by Seller), any mutually agreed written settlement of any such dispute concerning the Adjustment List and any determination of disputed items by the Accountants shall be final, conclusive and binding on the parties hereto absent manifest error.



(h) Buyer shall receive a credit against the Purchase Price for the aggregate LMA Fees paid by Buyer to Seller pursuant to the LMA as of Closing (including any prorated portion thereof).

(i) Subject to the LMA, for the avoidance of doubt, the parties acknowledge and agree that the expenses that are to be reimbursed by the Buyer to Seller in accordance with the terms of the LMA shall not be subject to adjustment as set forth in this Section 2.4.

## 2.5 Earnest Money; Escrow Reserve.

(a) Contemporaneously with the execution and delivery of this Agreement, Buyer has delivered the Earnest Money to the Escrow Agent to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement. At the Closing, Buyer shall cause the Escrow Agent to immediately pay the Earnest Money (plus any interest accrued thereon during the period the Earnest Money was held by Escrow Agent which was not delivered to Buyer) over to the Seller by wire transfer of the immediately available funds.

(b) On the Closing Date, Buyer shall deposit with and transfer to the Escrow Agent Fifty Thousand Dollars (\$50,000.00) of the Purchase Price (the "Escrow Reserve"). The Escrow Reserve shall be held by the Escrow Agent pursuant to this Agreement and the Escrow Reserve Agreement for a period of nine (9) months following the Closing Date, except to the extent earlier released to the Buyer Indemnified Parties to satisfy any indemnity obligations of Seller to the Buyer Indemnified Parties under this Agreement pursuant to the terms of the Escrow Reserve Agreement. The Escrow Reserve, or any portion thereof that remains on deposit with the Escrow Agent as of the 9-month anniversary of the Closing Date shall be disbursed to Seller in accordance with the Escrow Reserve Agreement. All interest and earnings on the Escrow Reserve shall be distributed and paid from time to time to Seller and shall, in no event, constitute part of the Escrow Reserve. Notwithstanding the foregoing, in accordance with the terms and provisions of the Escrow Reserve Agreement, such portion of the Escrow Reserve shall not be disbursed to Seller at the end of such 9-month period to the extent that any indemnity claims by any Buyer Indemnified Parties under the Agreement are pending at such time and, in such case, a portion of the Escrow Reserve sufficient to satisfy such pending claims in full shall be retained in escrow until a final resolution of any such claims. Promptly following final and conclusive resolution of any such claims, the Escrow Agent shall pay to the Buyer Indemnified Parties any amounts due to the Buyer Indemnified Parties under the Seller's indemnity set forth herein and shall disburse the remainder of the Escrow Reserve, if any, and any accrued interest, to Seller. No payment of the Escrow Reserve by the Escrow Agent shall limit in any way the Seller's obligation to satisfy in full any indemnity award due to Buyer in excess of the Escrow Reserve. Notwithstanding to the contrary in this Agreement, any Claims for which the Seller is liable to the Buyer Indemnified Parties under Article 9 of this Agreement shall be first satisfied out of the Escrow Reserve until exhausted before the Buyer Indemnified Parties shall be entitled to recover against Seller.

2.6 Non-Assumption of Liabilities. Except as specifically provided for in this Agreement or the Assumption Agreement, Buyer shall not assume, or in any way become liable for, any liabilities or obligations of Seller, the Business or any of the Stations of any kind or nature, whether accrued, absolute, contingent or otherwise, or whether due or to become due, or otherwise, whether known or unknown, arising out of events, transactions or facts which shall have occurred, arisen or existed on or prior to the Closing Date, which liabilities and obligations, if ever in existence, shall continue to be liabilities and obligations of Seller. Specifically, but without limiting the generality of the foregoing, Buyer shall not assume or be liable for the following debts, liabilities and obligations:

(a) Debts, obligations or liabilities which arise or exist in violation of any of the representations, warranties, covenants or agreements of Seller contained in this Agreement or in any

statement or certificate delivered to Buyer by or on behalf of the Seller on or before the Closing Date pursuant to this Agreement or in connection with the transactions contemplated hereby;

(b) Debts, obligations or liabilities of any kind or nature, whether absolute, accrued, contingent or otherwise, required by this Agreement to be disclosed to Buyer, if not so disclosed in writing and specifically assumed in writing by Buyer;

(c) Contingent liabilities of Seller of any kind arising or existing on or prior to the Closing Date, including, but not limited to, claims, proceedings or causes of action which are currently or hereafter become, the subject of claims, assertions, litigation or arbitration;

(d) Debts, obligations or liabilities of Seller for federal, state, county, local, foreign or other income, sales, use or transfer taxes or assessments (including interest and penalties thereon, if any) of any kind whatsoever arising from, based upon or related to the sale, transfer or delivery of the Purchased Assets pursuant to this Agreement;

(e) Debts, obligations or liabilities of Seller, whether absolute, accrued, contingent or otherwise, for (i) Federal and state income taxes, (ii) all taxes relating to any real property, (iii) all franchise taxes, including interest and penalties thereon, if any, and (iv) any other taxes;

(f) Debts, obligations or liabilities under any Station Employee Benefit Plan, policies, handbooks, customs or practices, employment agreements whether express or implied, applicable to any of the Station Employees at any time prior to and including the Closing Date;

(g) Debts, obligations or liabilities arising out of claims alleging damage to the Environment or similar claims with respect to the operation of any of the Stations, or the ownership or lease by Seller of real property, in each case on or before the Closing Date;

(h) Any liability or obligation of Seller arising out of any wrongful or unlawful violation or infringement of any proprietary rights of any Person occurring on or prior to the Closing Date;

(i) Any liabilities or obligations in respect of the borrowing of money or issuance of any note, bond, indenture, loan, credit agreement or other evidence of indebtedness or direct or indirect guaranty or assumption of indebtedness, liabilities or obligations of others, whether or not disclosed in this Agreement or otherwise of Seller, including, without limitation, any intercompany obligations or liabilities, if any;

(j) Debts, obligations or liabilities of Seller arising out of any claim, action, suit or proceeding pending as of the Closing Date or arising out of or relating to matters or events occurring on or prior to the Closing Date (whether or not such claim is then asserted), including, without limitation, any claims for personal injury (including worker's compensation or otherwise) or property damage and any forfeitures imposed by the FCC arising from matters or events occurring on or prior to the Closing Date;

(k) Any Financing Leases;

(l) All legal expenses of Seller incurred in connection with the sale of the Stations and the Purchased Assets;

- (m) All amounts due to any affiliate of Seller;
- (n) Any trade payables of any of the Stations or Seller; and
- (o) Any liabilities or obligations arising out of or relating to the Retained Assets.

2.7 Taxes. All federal, state, local and other transfer, sales and use taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Purchased Assets as contemplated by this Agreement shall be paid by Seller.

2.8 Risk of Loss. Subject to Sections 7.5 and 10.1 hereof, the risk of all Events of Loss prior to the Closing shall be upon Seller and the risk of all Events of Loss at or subsequent to the Closing shall be upon Buyer.

2.9 Allocation of Purchase Price. The parties mutually agree to the allocation of the Purchase Price among the Purchased Assets as set forth on SCHEDULE 2.9. Buyer and Seller each agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation 1.1060T.

2.10 Local Marketing Agreement Payments. Contemporaneously with the execution of this Agreement, Buyer and Seller are entering into the LMA. Commencing on the date hereof and ending on the earlier of the Closing Date, the termination of this Agreement or the LMA, Buyer shall pay Seller Fifteen Thousand Dollars (\$15,000.00) per month, which amounts shall be a credit against the Purchase Price at Closing. The monthly payment shall be paid by Buyer by the fifteenth (15th) Business Day of each month following the month for which payment is due. The monthly LMA Fee shall be prorated for any partial calendar month.

### ARTICLE 3

#### GOVERNMENTAL APPROVALS AND CONTROL OF STATION

3.1 FCC Consent. It specifically is understood and agreed by Buyer and Seller that the Closing shall be in all respects subject to the receipt of prior FCC Consent. Buyer and Seller shall prepare and file with the FCC as soon as practicable but in no event later than five (5) Business Days after the date of this Agreement, the requisite applications and other necessary instruments or documents requesting the FCC Consent. After the aforesaid applications and documents have been filed with the FCC, Buyer and Seller shall prosecute such applications with all reasonable diligence to obtain the requisite FCC Consent. Seller and Buyer shall each pay one-half (1/2) of all FCC filing or transfer fees relating to the transactions contemplated hereby.

3.2 Control Prior to Closing. Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Stations. Such operation, including complete control and supervision of all programs, employees and policies, shall be the sole responsibility of Seller, subject to the provisions of the LMA upon commencement thereof. Neither title nor right to possession shall pass to Buyer until the Closing, but Buyer shall, however, be entitled to reasonable inspection of the Stations and the Purchased Assets (upon reasonable prior notice and approval of Seller which shall not be unreasonably withheld) during normal business hours with the purpose that an uninterrupted and efficient transfer of the assets and business of the Stations may be accomplished. After the Closing, Seller shall have no right to control the Stations, and Seller shall have no reversionary rights in the Stations.

3.3 Other Governmental Approvals. Promptly following the execution of this Agreement, Buyer and Seller shall prepare and file with the appropriate governmental authorities any other requests for approval or waiver, if any, that are required from other governmental authorities in connection with the Closing, and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

## ARTICLE 4

### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents, warrants and covenants to Buyer as follows:

4.1 Organization. Seller is a corporation duly formed, validly existing and in good standing under the laws of the State of Kansas. Seller is not qualified to do business in any other state, and there is no other jurisdiction in which Seller is required to be qualified or registered to transact business. Seller has the power and authority to own, lease and operate its properties and to carry on its business in the places where such properties are now owned, leased or operated as such business is now conducted.

4.2 Authorization; Enforceability. The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Seller and the consummation by Seller of the transactions contemplated hereby and thereby, are within the corporate power of Seller and have been duly authorized by all necessary action by Seller. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by Seller, the valid and binding obligations of Seller, enforceable against it in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratoriums or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

4.3 Absence of Conflicting Agreements. Except as set forth on SCHEDULE 4.3, neither the execution, delivery or performance of this Agreement by Seller, nor the consummation of the sale and purchase of the Purchased Assets or any other transaction contemplated by this Agreement, does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) conflict with, result in a breach of, or constitute a default under the articles of incorporation, corporate charter, by-laws, or other organizational or governance documents of Seller, or (subject to receipt of the FCC Consent) any federal, state or local law, statute, ordinance, rule or regulation, or any judgment, decree or court or administrative order or process, or any material contract, agreement, arrangement, commitment or plan to which Seller is a party or by which Seller is bound and which relates to the ownership or operation of any of the Stations or the Purchased Assets;

(b) result in the creation of any Lien upon any of the Purchased Assets;

(c) terminate, amend or modify, or give any party the right to terminate, amend, modify, abandon or refuse to perform any contract, or any other material agreement, arrangement, commitment or plan to which Seller is a party and which relates to the ownership or operation of any of the Stations or the Purchased Assets;

(d) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which, any duties or obligations are to be performed, or any rights or benefits are to be received, under any contract, agreement, arrangement, commitment or plan to which

Seller is a party and which relates to the ownership or operation of any of the Stations or the Purchased Assets;

(e) require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other authority other than the FCC Consent; or

(f) require the consent of any Person under any agreement, arrangement or commitment of any nature to which Seller is a party or the Purchased Assets are subject or by which Seller or Purchased Assets are bound.

4.4 Purchased Assets. The Purchased Assets include all of the assets, properties and rights of every type and description, real, personal and mixed, tangible and intangible, that are necessary for, used or useable in the conduct of the Business in the manner in which the Business has been and is now conducted. All inventories of supplies, tubes and spare parts necessary or appropriate for the operation of the Stations are at levels consistent with past operations of the Stations.

4.5 Title to Purchased Assets; Liens and Encumbrances. Except as set forth on SCHEDULE 4.5, Seller owns good and marketable title to or has valid leasehold interests in all of the Purchased Assets free and clear of any and all Liens except for current taxes not yet due and payable.

4.6 Condition of Equipment. Except as set forth on SCHEDULE 4.6:

(a) each item of Equipment is in good condition and repair, ordinary wear and tear excepted, and is not in need of immediate repair or replacement;

(b) the Equipment includes all items of tangible personal property utilized by Seller in connection with owning and operating the Stations;

(c) the list of Equipment on SCHEDULE 1.3 is a true and correct list of all items of tangible personal property necessary for or used in the operation of the Stations in the manner in which they have been and are now operated;

(d) those items of Equipment constituting transmitting and studio equipment that are currently used by the Stations in their respective operations are operating and have been serviced and maintained by Seller in accordance with normal industry standards and practices and applicable FCC rules and regulations; and

(e) no Equipment has been removed since December 31, 2007 except for removal of obsolete or non-operational equipment which has been replaced.

4.7 Contracts. Except as set forth on SCHEDULE 4.7:

(a) All of the Contracts constitute legal, valid and binding obligations of the respective parties thereto, are in full force and effect, and Seller has not nor has any other party thereto violated any provision of, or commitment or failed to perform any act which, with notice, lapse of time or both, could constitute a default under the provisions of any of the Contracts;

(b) The Contracts described on SCHEDULE 1.2 constitute all of the agreements, undertakings, commitments or understandings, whether written or oral, relating to the conduct of the

Business and the Stations (and including all employment agreements of Station Employees) other than (i) each contract (other than Tradeout Agreements) for the sale of time on any Station that involves the purchase in the aggregate of less than \$5,000 in advertising time and requires performance over a period of less than thirty (30) calendar days, and (ii) each contract which is cancelable by Seller or its assignee without breach or penalty on not more than thirty (30) calendar days notice and which involves average annual payments or receipts by any Station of less than \$1,500 in the case of any single contract and \$15,000 in the aggregate;

(c) Seller has furnished true and complete copies of all Contracts, including all amendments, modifications and supplements thereto, and SCHEDULE 1.2 contains true, accurate and complete summaries of the provisions of all oral contracts;

(d) SCHEDULE 1.2 sets forth an accurate and complete list and description of all Tradeout Agreements, and sets forth with respect to each Tradeout Agreement the parties thereto, the value of broadcast time required to be provided on the Stations from and after the date shown on such Schedule and the value of goods and services provided to or to be provided to the Stations from and after such date;

(e) Seller's right, title and interest in and to each of the Contracts is fully assignable to Buyer without the consent, approval or waiver of any other Person and the assignment of such Contracts will give no party thereto the right to terminate such Contract;

(f) None of the Contracts provides for delayed or deferred payments that Buyer would be obligated to pay after the Closing Date; and

(g) Seller is current on all of its payment obligations under the Contracts.

4.8 Intangible Property. Except as set forth on SCHEDULE 4.8:

(a) there are no claims, demands or proceedings instituted or pending, or to Seller's knowledge, threatened, by any third party pertaining to or challenging Seller's right to use any of the Intangible Property;

(b) there are no facts which could render any of the Intangible Property invalid or unenforceable;

(c) there is no Intangible Property owned by a third party which Seller is using without proper license to do so (which licenses, if any, constitute part of the Contracts);

(d) there are no royalty agreements between Seller and any third party relating to any of the Intangible Property;

(e) SCHEDULE 1.4 lists and identifies correctly and completely all of the Intangible Property (i) owned or used by, or in any way relating to, the operation of any of the Stations and (ii) necessary or appropriate for or used in the operation of any of the Stations; and

(f) Seller owns or has the right to use the Intangible Property, all of which Intangible Property is transferable to Buyer by the sole act of Seller without the consent, approval or waiver of any other Person and without affecting Buyer's continuing right to use such Intangible Property after the Closing.

4.9 Real Property. Except as disclosed on SCHEDULE 4.9:

(a) Seller does not hold or own fee simple title to any real property. Seller has a valid and enforceable Lease for all Real Property which is leased, and such Real Property includes all real property necessary or appropriate for or used or useable in the Business and the operation of any of the Stations. Except for current taxes not yet due and the items set forth on SCHEDULE 4.9, there are no Liens, restrictions or encumbrances to title to any portion of the Real Property. Seller has not subjected the Real Property to any easements, rights, duties, obligations, covenants, conditions, restrictions, limitations or agreements not of record.

(b) There is no pending condemnation or similar proceeding affecting the Real Property or any portion thereof and, to Seller's knowledge, no such action is presently contemplated or threatened.

(c) Seller has not received any notice from any insurance company of any defects or inadequacies in the Real Property or any part thereof which could adversely affect the insurability of the Real Property or the premiums for the insurance thereof. Seller has not received any notice from any insurance company which has issued or refused to issue a policy with respect to any portion of the Real Property or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work with which full compliance has not been made.

(d) There are no parties in possession of any portion of the Real Property other than Seller, whether as lessees, tenants at will, trespassers or otherwise.

(e) No zoning, building, environmental, land-use, fire or other federal, state or municipal law, ordinance, regulation or restriction is violated by the continued maintenance, operation or use of the Real Property or any tract or portion thereof or interest therein in its present manner except for such violations which could not have an adverse effect on the operation of any Station. The current use of the Real Property and all parts thereof as aforesaid does not violate any restrictive covenants affecting the Real Property.

(f) There is no law, ordinance, order, regulation or requirement now in existence, including, without limitation, any Environmental Law which would require any expenditure to modify or improve any of the Real Property in order to bring it into compliance therewith.

(g) The Real Property has legal and adequate access to and from completed, dedicated and accepted public roads, and there is no pending, or to Seller's knowledge, threatened, governmental proceeding which could impair or curtail such access.

(h) There are presently in existence water, sewer, gas and/or electrical lines or private systems on the Real Property which have been completed, installed and paid for and which are sufficient to service adequately the current operations of each building or facility located on the Real Property.

(i) There are no structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the buildings located on the Real Property, the roofs of the building located on the Real Property are free from structural defects, leaks and are in good condition and the towers, antennae, fixtures and improvements on the Real Property are in good operating condition and repair.

(j) All buildings, structures and transmitting facilities of the Stations, including towers, antennas, guy lines, anchors and other related buildings, structures, improvements and appurtenances, are located entirely within the confines of the Real Property.

4.10 Leases. Except as set forth on SCHEDULE 4.10:

(a) Seller has performed each material term, covenant and condition of each of the Leases which is to be performed by Seller at or before the date hereof, and no default on the part of Seller or on the part of any other party thereto, exists under any Lease;

(b) the Leases constitute all of the lease agreements between Seller and third parties relating to the Purchased Assets and the operation of the Stations;

(c) each of the Leases is in full force and effect, unimpaired by any acts or omissions of Seller, constitutes the legal and binding obligation of Seller, and any other party thereto, in accordance with its terms;

(d) Seller has furnished true and complete copies of the Leases to Buyer (or written summaries of oral Leases), including any and all amendments thereto;

(e) there are no leasing commissions or similar payments due, arising out of, resulting from or with respect to any Lease which are owed by Seller;

(f) Seller's right, title and interest in and to each of the Leases is fully assignable to Buyer without the consent, waiver or approval of any Person and such assignment will not give any party thereto the right to terminate the Lease; and

(g) each of Seller's Financing Leases is listed as such on SCHEDULE 4.10.

4.11 Financial Statements and Interim Financial Statements.

(a) Attached as SCHEDULE 4.11(a) are true and complete copies of the unaudited statement of assets, liabilities and equity (income tax basis) of Seller, as at December 31, 2006 and December 31, 2007, and the related statements of revenue and expenses for the fiscal years then ended (collectively, the "Financial Statements"). The statements of assets, liabilities and equity included in the Financial Statements contain certain entries unrelated to the Business and the Stations, however, the Financial Statements set forth the Accounts Receivable as of the respective dates thereof. The Financial Statements (i) were prepared in accordance with the books of account and other financial records of Seller, which are accurate and complete in all material respects, (ii) fairly and accurately present the assets, liabilities and equity of Seller related to the Stations as of the respective dates thereof, and the results of operation for the periods then ended, (iii) have been prepared on an income tax basis applied on a consistent basis with Seller's past practices, and (iv) include all adjustments (consisting only of normally recurring accruals) that are necessary for a fair presentation of the financial condition and results of operation of the Business and the Stations as of the dates thereof and for the periods covered thereby. All transactions relating to the operation of the Business and the Stations have been appropriately recorded in the statements of revenue and expenses included in the Financial Statements as of the dates thereof and for the periods covered thereby.

(b) Attached as SCHEDULE 4.11(b) are true and complete copies of the unaudited statement of assets, liabilities and equity (income tax basis) of Seller related to the Stations as at the



month ended April 30, 2008, and the related statement of revenue and expenses for the period then ended (the "Interim Financial Statements"). The Interim Financial Statements, which were prepared in good faith and in accordance with the books and records of Seller which are accurate and complete in all material respects, have been prepared on the income tax basis on a basis consistent with the Financial Statements and present fairly the financial condition of Seller related to the Stations as at each of the dates indicated and the results of its operations for each of the periods then ended; subject, however, to year-end adjustments which, in the aggregate, are not materially adverse.

4.12 No Changes. Except as set forth on SCHEDULE 4.12, since December 31, 2007, there has not been any:

- (a) transaction by Seller except in the ordinary course of business conducted as of that date;
- (b) material adverse change in the financial condition, liabilities, assets, prospects or results of operation of any of the Stations;
- (c) any default under any indebtedness of Seller, or any event which, with the lapse of time, giving of notice or both, could constitute such a default;
- (d) amendment or termination of any Contract, Lease or License to which Seller is a party, except in the ordinary course of business;
- (e) increase in compensation paid, payable or to become payable to a Station Employee, except customary increases not in excess of 5% in connection with annual employee reviews;
- (f) extraordinary losses (whether or not covered by insurance) or waiver by Seller of any extraordinary rights of value;
- (g) commitment to or liability to any labor organization which represents, or proposes to represent, employees of any Station;
- (h) lowering of the advertising rates of any Station in a manner not consistent with past practices or reflective of current market conditions;
- (i) notice from any sponsor or customer as to that sponsor's or customer's intention not to conduct business with any Station, the result of which loss or losses of business, individually or in the aggregate, has had, or could reasonably be expected to have, a material adverse effect on the Station;
- (j) change in a Station's carriage or channel position on any Market MVPD System;
- (k) notification to Seller or any Station, that the Station may not be entitled to carriage on any Market MVPD System either because the Station fails to meet the requisite signal strength for such status or the Station would be considered a distant signal under the cable compulsory copyright license, 17 U.S.C. § 111;
- (l) write down of the value of any assets or write off as uncollectible of any Accounts Receivable or Note Receivables except in the ordinary course of business, none of which, individually or in the aggregate, has or might reasonably have a material adverse effect on Seller's or any Station's financial condition;

- (m) change in Seller's method of accounting;
- (n) other event or condition of any character that has or might reasonably have a material adverse effect on Seller's or any Station's financial condition, business or assets;
- (o) sale, assignment, lease or other transfer or disposition of any of the assets or properties of any Station except in the ordinary course of business;
- (p) distribution, transfer, sale, exchange, loan or disposition to a related or affiliated Person; or
- (q) agreement by Seller to do any of the foregoing.

4.13 Intentionally Omitted.

4.14 No Litigation; Labor Disputes; Compliance with Laws. Except as set forth on SCHEDULE 4.14:

(a) There is no decree, judgment, order, litigation at law or in equity, arbitration proceeding or proceeding before or by any commission, agency or other administrative or regulatory body or authority pending or threatened, to which Seller or any Station is a party or to which Seller, any Station or the Purchased Assets are subject or which could have an adverse effect on any Station or such assets, and there is no basis for any other claim, litigation or proceeding. There is no investigation by any commission, agency or other administrative or regulatory body or authority pending or threatened, which is concerned with the operations, business or affairs of Seller, any Station or the Purchased Assets, nor is there any basis for any such investigation.

(b) Seller is not subject to or bound by any labor agreement or collective bargaining agreement; there is no labor dispute, grievance, controversy, strike or request for union representation pending or threatened against Seller or any Station relating to or affecting the business or operations of any Station; and there has been no occurrence of any events which could give rise to any such labor dispute, controversy, strike or request for representation.

(c) Seller owns and operates, and has owned and operated, its properties and assets, and carries on and conducts, and has carried on and conducted, the business and affairs of the Stations in compliance with all federal, foreign, state and local laws, statutes, ordinances, rules and regulations, and all court or administrative orders or processes, including, but not limited to, FCC, Occupational Safety and Health Administration, Equal Employment Opportunity Commission, National Labor Relations Board and environmental matters. Each Station complies in all material respects with all applicable statutes, rules and regulations pertaining to equal employment opportunity, including, without limitation, those of the FCC.

4.15 Taxes. Except as disclosed on SCHEDULE 4.15:

(a) Seller has filed all federal, state and local tax returns, reports and estimates for all years and periods (and portions thereof) for which any such returns, reports and estimates were due, and any and all amounts due and payable have been paid in full except to the extent such amounts have been contested in good faith. All of such returns, reports and estimates are true and complete in all respects. Seller has withheld all tax required to be withheld under applicable law and regulations, and such

withholdings have either been paid to the proper governmental agency or set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of Seller, as the case may be; and

(b) There are, and after the date of this Agreement will be, no tax deficiencies (including penalties and interest) of any kind assessed against or relating to Seller or any Station with respect to any taxable periods ending on or before, or including, the Closing Date of a character or nature that could result in Liens or claims on any of the Purchased Assets or on Buyer's title or use of the Purchased Assets or that could result in any claim against Buyer.

4.16 Governmental Authorizations. Seller holds, and on the Closing Date Seller will hold, the valid Licenses from the FCC to operate the Stations as Class A television broadcast stations with the power disclosed on SCHEDULE 4.16. Except as set forth on SCHEDULE 4.16, no qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations, other than the Licenses and those as set forth on SCHEDULE 4.16, are required in order for Seller to own and operate the Stations in the manner operated on the date hereof. As of the date hereof, no action or proceeding is pending or threatened before the FCC or any other governmental body to revoke, refuse to renew or modify such Licenses or other authorizations of the Stations. Except as set forth on SCHEDULE 4.16, each Station has complied with the FCC rules, regulations and policies concerning limits on the duration of advertising in children's programming, satisfaction of obligations with respect to children's programming responsive to the educational and informational needs of children, and the record keeping obligations related thereto.

4.17 Compliance with FCC Requirements. Except as set forth on SCHEDULE 4.17, each Station, its physical facilities, electrical and mechanical systems and transmitting and studio equipment are being and have been operated in all material respects in accordance with the specifications of the Licenses and with each document submitted in support of such Licenses, and Seller and each Station are in compliance with all requirements, rules and regulations of the FCC. Seller has complied with all requirements of the FCC and the Federal Aviation Administration with respect to the construction and/or alteration of each Station's antenna structures, and, where required, "no hazard" determinations for each antenna structure have been obtained, and where required, each antenna structure has been registered with the FCC. Except as set forth on SCHEDULE 4.17, all obligations, reports and other filings required by the FCC with respect to the Stations, including, without limitation, all regulatory fee payments and all materials required to be placed in each Station's public inspection file, have been duly and currently filed as of the date hereof, and are true and complete in all material respects, and after the Closing Date, Seller shall furnish to Buyer all information required by the FCC relating to the operation of the Stations prior to the Closing Date. Except as set forth on SCHEDULE 4.17, there is not now issued or outstanding, or pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint relating to any Station, and, to Seller's knowledge, no complaint is pending before the FCC that alleges a violation of the Communications Act of 1934, as amended, or any FCC rule, regulation or policy. No cable system has notified Seller of any signal quality deficiency and no cable system has declined or threatened to decline carriage of any Station's signals or failed to respond to a request for carriage or sought any form of relief from carriage from the FCC.

4.18 Intentionally Omitted.

4.19 MVPD Matters. The attached SCHEDULE 4.19 sets forth (or has appended to it) the items described in clauses (a) through (h) below:

(a) a list of all U.S. cable television systems, wireless cable television systems, direct broadcast satellite ("DBS") systems and satellite master antenna ("SMATV") systems which carry any Station's signal and in what Designated Market Area ("DMA") each MVPD carries the Station's signal;

(b) a list of all Market MVPD Systems to which each Station has provided a must-carry notice or retransmission consent notice in accordance with the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewers Improvement Act of 1999, as amended, and FCC regulations implementing such statutes (collectively, the "MVPD Act Requirements"), and a list of all Market MVPD Systems to which each Station has not provided any such must-carry or retransmission consent notice;

(c) a list of all retransmission consent and/or copyright indemnification agreements, if any, entered into by Seller with respect to any Station;

(d) a list of all retransmission consent notices referred to in clause (b) above, if any, which were not delivered to the Market MVPD System in question on or before the date required under the MVPD Act Requirements for such notices to be effective for the three-year period ending on December 31, 2002 for cable, or the election cycle ending on December 31, 2006 for DBS;

(e) a list of all Market MVPD Systems, if any, which are carrying any Station's signal and which have given notice of such Market MVPD System's intention to delete the Station from carriage or to change the Station's channel position on such MVPD system, other than pursuant to any agreement described in clause (c) above;

(f) a list of all notices, if any, received from any Market MVPD System alleging that any Station does not deliver an adequate signal level, as defined in 47 C.F.R. § 76.55(c)(3), to such Market MVPD System's principal headend or local receive facility (other than any such notice as to which such failure has been remedied or been determined not to exist), and all further correspondence with or from any such Market MVPD System relating to such notice;

(g) a list of all pending petitions for special relief to include any additional community or area as part of any Station's television market, as defined in 47 C.F.R. § 76.55(e), if any; and

(h) a list of all pending petitions for special relief requesting the deletion of any community or area from any Station's television market, if any.

For purposes of this Section 4.19, "Market MVPD System" means any U.S. cable television system, wireless cable system, DBS operator or SMATV system operating within a Station's market, as defined in 47 C.F.R. §§ 76.55(e) and 76.66(e).

Seller has furnished to Buyer true and correct copies of all notices, agreements, correspondence, petitions and other items described in clauses (a) through (h) of this Section 4.19.

4.20 Insurance. Seller has in full force and effect the liability and casualty insurance and errors and omissions insurance insuring the business, properties and assets of the Stations as described on SCHEDULE 4.20 and such insurance is for such coverage and in such amounts as is usual and customary for businesses similar to that of Seller. Seller is not in default with respect to such insurance policies, nor has Seller failed to give any notice or present any claim under any policies in due and timely fashion. No notice of cancellation, termination or nonrenewal has been received with respect to any such policy.

4.21 Brokers. Neither this Agreement nor the sale and purchase of the Purchased Assets or any other transaction contemplated by this Agreement was induced or procured through any Person acting on behalf of or representing Seller as broker, finder, investment banker, financial advisor or in any similar capacity, other than Gammon Miller, L.L.C.

4.22 Powers of Attorney. Except as set forth on SCHEDULE 4.22 there are no Persons holding a power of attorney on behalf of Seller.

4.23 Employees. SCHEDULE 4.23 lists the name, title, department and current annual salary rate or hourly rate of all employees of Seller related to the Stations, which list includes for each such Person the amounts paid or payable as base salary and describes any other compensation arrangements for employees for the years 2007 and 2008, including bonuses, severance or other perquisites. Except as set forth on SCHEDULE 4.23 hereto, there are no collective bargaining agreements, employment agreements between Seller and its employees or professional service Contracts not terminable at will relating to any Station or the business and operations thereof. Except as otherwise specifically agreed to by the parties in writing, the consummation of the transactions contemplated hereby will not cause Buyer to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any Person or any liability or obligation to pay with respect to any Station Employee Benefit Plan.

4.24 Employee Benefit Plans. Except as set forth on SCHEDULE 4.24:

(a) Seller has not at any time maintained or been a party to or made contributions to any Station Employee Benefit Plan. All Station Employee Benefit Plans maintained by Seller or to which Seller is obligated to contribute, are, and have in the past been, in all respects maintained, funded and administered in compliance with ERISA and the Code, and other applicable law; no such plan subject to Title IV of ERISA has been terminated; no proceedings to terminate any such plan have been instituted under Subtitle C of Title IV of ERISA; no reportable event within the meaning of Section 4043 of Subtitle C of ERISA has occurred for any such plan maintained by Seller; Seller has not withdrawn from a multi-employer plan (as defined in Section 4001(a) of ERISA); the consummation of the transactions contemplated hereby will not result in any withdrawal liability on the part of Seller under a multi-employer plan; no Plan or Benefit Arrangement established or maintained by Seller or to which Seller is obligated to contribute has any "accumulated funding deficiency," as defined in ERISA, or any other unfunded liability or funding deficit; and Seller has not incurred any liability to the Pension Benefit Guaranty Corporation with respect to any such plan. Seller has not engaged in any "prohibited transaction," as defined in Section 406 of ERISA, or in Section 4975 of the Code with respect to any Plan of Seller.

(b) Seller has: (a) filed or caused to be filed all returns and reports on the Station Employee Benefit Plans that are required to be filed and (b) paid or made adequate provision for all fees, interest, penalties, assessments or deficiencies that have become due pursuant to those returns or reports or pursuant to any assessment or adjustment that has been made relating to those returns or reports. All other fees, interest, penalties and assessments that are payable by or for Seller have been timely reported, fully paid and discharged. There are no unpaid fees, penalties, interest or assessments due from Seller or from any other Person that are or could become a Lien on any Purchased Asset or could otherwise adversely affect any Station or Purchased Assets. Seller has collected or withheld all amounts that are required to be collected or withheld by it to discharge its obligations, and all of those amounts have been paid to the appropriate governmental authority or set aside in appropriate accounts for future payment when due. Seller has furnished to Buyer true and complete copies of all documents setting forth the terms and funding of each Plan.

(c) SCHEDULE 4.24 includes a copy of all reports, returns or other filings with the Internal Revenue Service and a copy of all audits or reviews for all Station Employee Benefit Plans, as well as with respect to each Station Employee Benefit Plan, a correct and complete copy of each Station Employee Benefit Plan document and summary plan description (with all applicable attachments), and all related trust agreements, insurance contracts, and other funding arrangements which implement each such Station Employee Benefit Plan.

(d) All contributions or premiums for any period ending on or before the Closing Date that are not yet due have been made to or for each such Station Employee Benefit Plan or accrued in accordance with the past custom and practice of Seller.

(e) No other entity which together with Seller would be considered to be a single employer within the meaning of Section 4001(b) of ERISA has ever been required to contribute to any "multiemployer plan" as such term is defined in Section 3(37) of ERISA.

(f) Each agreement, plan or arrangement (whether written or oral) that is a "nonqualified deferred compensation plan" (as defined under Section 409A(d)(1) of the Code) has been operated and administered in reasonable, good faith compliance with Section 409A of the Code and the guidance provided thereunder from the period beginning January 1, 2005 through the date hereof and no such agreement, plan or arrangement which was in effect prior to October 4, 2004, which Seller determined to not be subject to Section 409A of the Code, has been materially modified after October 3, 2004.

4.25 Environmental Compliance. Except as set forth on SCHEDULE 4.25:

(a) Seller and the Stations have complied and are in material compliance with, and the Real Property and all improvements thereon are in material compliance with, all Environmental Laws.

(b) Neither Seller nor any Station is a party to any litigation or administrative proceeding, nor is any litigation or administrative proceeding threatened against it, which in either case: (i) asserts or alleges that Seller or any Station violated any Environmental Laws; (ii) asserts or alleges that Seller or any Station is required to clean up, remove or take remedial or other response action due to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials; or (iii) asserts or alleges that Seller or any Station is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action arising out of or relating to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials.

(c) With respect to the period before and during which Seller owned or occupied the Real Property, no Person has caused or permitted Hazardous Materials to be generated, treated, stored, or disposed of, released, recycled on, under or at any Real Property owned, leased, used or occupied by Seller, which Hazardous Materials, if known to be present, would require response remediation or cleanup, removal or some other remedial action under any Environmental Laws.

(d) There are not now nor have there been previously, tanks, disposal areas, landfills, surface impoundments or other facilities on, under or at the Real Property which contained any Hazardous Materials which, if known to be present in soils or groundwater or surface water, would require response remediation, removal or some other remedial action under Environmental Laws.

(e) There are no conditions existing currently which would subject Seller or any Station to damages (including notice of resources damages), penalties, injunctive relief or response remediation or removal costs under any Environmental Laws or which require or are likely to require response, remediation or removal or such other remedial action pursuant to Environmental Laws by Seller.

(f) Neither Seller nor any Station is subject to any judgment, order or citation related to or arising out of any Environmental Laws and has not been named or listed as a potentially responsible

party by any governmental body or agency in a matter related to or arising out of any Environmental Laws.

(g) The operation of each Station does not exceed the permissible levels of exposure to RF radiation specified in the FCC's current or proposed rules, regulations and policies concerning RF radiation.

(h) Seller has been duly issued, and currently has and will maintain through the Closing Date, all permits, licenses, certificates and approvals required under any Environmental Law. A true and complete list of such permits, licenses, certificates and approvals, all of which are valid and in full force and effect, is set out on SCHEDULE 4.25(h). Except in accordance with such permits, licenses, certificates and approvals, there has been no discharge of any Hazardous Materials or any other material regulated by such permits, licenses, certificates or approvals on the Real Property.

4.26 Records. The Records of each Station have been fully, properly and accurately maintained in all material respects, and there are no material inaccuracies or discrepancies of any kind effected herein, and true and accurate copies thereof have been made available to Buyer.

4.27 Disclosure. No statement of fact by Seller contained in this Agreement and no written statement of fact furnished or to be furnished by Seller to Buyer pursuant to or in connection with this Agreement contains or will contain any untrue statement of a fact, or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

4.28 Representation as of the Closing Date. Each of Seller's representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representations and warranties were made on and as of such time.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents, warrants and covenants to Seller as follows:

5.1 Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and on the Closing Date Buyer will be duly qualified to do business in Kansas. Buyer has full limited liability company power to purchase the Purchased Assets pursuant to this Agreement. On the Closing Date, Buyer (or its designee) will be qualified to be a licensee of the FCC.

5.2 Authorization; Enforceability. The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Buyer and the consummation by Buyer of the transactions contemplated hereby and thereby are within the limited liability company power of Buyer and have been duly authorized by all necessary corporate action by Buyer. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by Buyer, the valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratoriums or similar laws at the time in effect affecting the enforceability or right of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

5.3 Absence of Conflicting Agreements. Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation of the sale and purchase of the Purchased Assets or any

other transaction contemplated by this Agreement, does or will, after the giving of notice, or the lapse of time or otherwise, conflict with, result in a breach of, or constitute a default under, the certificate of formation or limited liability company operating of Buyer, or (subject to receipt of the FCC Consent) any federal, state or local law, statute, ordinance, rule or regulation, or any court or administrative order or process, or any material contract, agreement, arrangement, commitment or plan to which Buyer is a party or by which Buyer or its assets is bound.

5.4 Brokers. Neither this Agreement nor the sale and purchase of the Purchased Assets or any other transaction contemplated by this Agreement was induced or procured through any Person acting on behalf of or representing Buyer as broker, finder, investment banker, financial advisor or in any similar capacity, except Gammon Miller L.L.C.

5.5 Disclosure. No statement of fact by Buyer contained in this Agreement and no written statement of fact furnished or to be furnished by Buyer to Seller pursuant to or in connection with this Agreement contains or will contain any untrue statement of a fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

5.6 Representation as of the Closing Date. Buyer's representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representations and warranties were made on and as of such time.

## ARTICLE 6

### COVENANTS

From and after the date of this Agreement and until the Closing:

6.1 Access. Buyer and its authorized agents, officers and representatives shall have access, upon reasonable prior notice, to the Business, the Stations and the Purchased Assets to conduct such examination and investigation of the Business, the Stations and the Purchased Assets as it deems necessary (including meeting with Station Employees), provided that such examinations shall be during the Stations' normal business hours, shall not unreasonably interfere with any Station's operations and activities and shall not be in violation of Section 3.2 hereof concerning "control."

6.2 Intentionally Omitted.

6.3 Notice of Adverse Changes. Pending the Closing Date, Seller shall give Buyer prompt written notice of the occurrence of any of the following:

- (a) an Event of Loss;
- (b) the commencement of any proceeding or litigation at law or in equity or before the FCC or any other commission, agency or administrative or regulatory body or any authority involving any of the Licenses or which could have an adverse effect on any Station or the assets utilized in the operation thereof, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a disproportionate impact on any Station;
- (c) any labor grievance, controversy, strike or dispute affecting the Business or operation of any Station and the scheduling of any bargaining discussions with the certified bargaining unit;



(d) any violation by Seller or any Station of any federal, state or local law, statute, ordinance, rule or regulation which may reasonably be expected to have an adverse effect on the Business or operation of any Station;

(e) any notice of breach, default, claimed default or termination of any Contract or Lease; or

(f) any other unusual or material adverse developments with respect to the Business or operations of any Station, including the loss of carriage or change in channel position on any Market MVPD System and the cessation of broadcasting by any Station of its authorized power for more than twenty-four (24) consecutive hours.

6.4 Operations Pending Closing. Subject to the provisions of Section 3.2 regarding control of the Stations and the LMA, pending the Closing, Seller shall:

(a) operate the Business and each Station in the ordinary course of business in accordance with past practices consistently applied;

(b) operate each Station in every material respect in accordance with applicable laws and regulations, including without limitation, FCC requirements, rules and regulations;

(c) maintain the Equipment in good operating condition, wear and tear due to ordinary usage excepted, and replace any of the Equipment which shall be worn out, lost, stolen or destroyed;

(d) not remove from any Station, sell, lease, mortgage, pledge or otherwise dispose of any of the Purchased Assets except for dispositions in the ordinary course of business in accordance with past practices consistently applied;

(e) not increase or otherwise change the rate or nature of the compensation (including wages, salaries and bonuses) or severance paid or payable to any Person, except pursuant to existing compensation and fringe benefit plans, practices and arrangements which have been disclosed to Buyer and not enter into, renew or allow the renewal of, any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services;

(f) except with Buyer's prior written consent, not enter into, or become obligated under, any agreement or commitment affecting any Station or its operations including any Program Rights agreement except for commitments for advertising time on a Station at currently prevailing rates to be paid in cash and entered into in the ordinary and regular course of the operation of its business, or change, amend, terminate or otherwise modify in any material respect any Contract, Lease, agreement or commitment except for those which terminate or expire by their own terms; provided, however, that Seller will not enter any agreements with affiliates of Seller without Buyer's prior written consent; and provided, further, that subject to Buyer's prior written consent, Seller shall continue to make such expenditures and commitments as is consistent with past practices of each Station;

(g) keep Buyer apprised of negotiations for Program Rights agreements and promptly provide Buyer with copies of all Program Rights agreements entered into by Seller;

(h) maintain in full force and effect policies of liability and casualty insurance of the same type, character and coverage as the policies currently carried with respect to the business, operations and assets of each Station;

(i) not enter into any Tradeout Agreements relating to any Station which creates obligations or liabilities of Seller extending to or beyond the Closing Date, without the prior written consent of Buyer;

(j) not enter into any agreement providing for a delayed or deferred payment that Buyer would be obligated to pay after the Closing Date;

(k) stay current on all of its payment obligations under the Contracts and Leases that are part of the Assumed Liabilities;

(l) proceed with all reasonable diligence to satisfy its obligations pursuant to Tradeout Agreements in the ordinary course of business of each Station;

(m) utilize the Program Rights of each Station only in the ordinary course of business and not sell or otherwise dispose of any such Program Rights; and make all payments on Program Rights and agreements on a current basis;

(n) take all appropriate, reasonable action to protect the present service areas of the Stations from increased electrical interference from other stations, existing or proposed, and to exercise best efforts to maintain carriage of each Station's signals on all Market MVPD Systems;

(o) not adopt, or commit to adopt, any pension, profit sharing, deferred compensation or similar plan, program or trust on behalf of personnel of any Station, other than any such plan, program or trust currently maintained by Seller;

(p) not voluntarily agree to enter into any collective bargaining agreement applicable to any employees of any Station or otherwise recognize any union as the bargaining representative of any such employees of any Station; promptly notify Buyer of any attempt or actual collective bargaining organizing activity with respect to any employees of any Station; and not enter into any collective bargaining agreement applicable to any employees of any Station which provides that it shall be binding upon any "successor" employer of such employees;

(q) follow Seller's usual and customary policy with respect to extending credit for sales of broadcast time on the Stations and (subject to Section 2.2(b) hereof) with respect to collecting Accounts Receivable and Note Receivables arising from such extension of credit;

(r) make reasonable commercial efforts to promote and advertise the Stations and each of their programs and make expenditures therefor in accordance with past practices consistently applied;

(s) subject to Section 2.2(b) hereof, collect the Accounts Receivable in accordance with Seller's past practices consistently applied and not engage in any activity with the purpose or effect of accelerating the collection of the Accounts Receivable;

(t) promptly provide Buyer with copies of all correspondence with cable systems concerning must carry status, retransmission consent and other matters arising under the Cable Act, and keep Buyer advised of the status of all negotiations with cable systems concerning such matters;

(u) not change its accounting practices or principles or in any way to accelerate the collection of Accounts Receivable or Note Receivables or delay the payment of trade payables;

(v) not take or agree to take any action inconsistent with consummation of the Closing as contemplated by this Agreement; nor take any other actions with respect to any Station except as specifically contemplated by this Agreement;

(w) maintain the Licenses in full force and effect, timely file all required applications for renewal or extension of the Licenses, and not permit any License to be forfeited, rescinded, revoked, or to expire;

(x) except with Buyer's prior written consent, not undertake any capital project or enter into any capital lease with respect to any of the Stations; and

(y) not agree to or authorize any of the foregoing.

6.5 Financial and FCC Reports. Within thirty (30) calendar days after the end of each month ending after the date hereof, Seller will furnish Buyer with a copy of Seller's monthly financial reports related to the Stations prepared after the date of the Interim Financial Statement (including balance sheet and operating statement) for each such month and the fiscal year to the end of such month; and will furnish all reports filed with the FCC with respect to any Station after the date hereof within ten (10) calendar days after each such report has been filed. All of the foregoing financial statements shall comply with the requirements concerning financial statements set forth in Section 4.11. In addition, upon Buyer's request, Seller will furnish Buyer with copies of regular management reports, if any, concerning the operation of any of the Stations within ten (10) calendar days after such reports are prepared.

6.6 Consents. Seller will, at its sole expense, use its good faith best efforts to obtain Estoppel Certificates from lessors under the Leases and all consents required from third Persons whose consent or approval is required pursuant to any Contract or Lease, prior to the Closing Date. Seller shall advise Buyer of any difficulties experienced in obtaining such consents and Estoppel Certificates and of any conditions requested for any of such consents and Estoppel Certificates. To the extent that any Contract or Lease may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable Contract or Lease, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf. Buyer and Seller shall cooperate to use commercially reasonable efforts after Closing to obtain consents to assign such Contracts or Leases. Notwithstanding the foregoing, the parties agree that Buyer may elect to terminate this Agreement in the event Seller fails to obtain written consents to the assignment of the Material Contracts and Material Leases, and upon such termination Buyer shall be entitled to have the Earnest Money, together with all accrued interest.

6.7 Cooperation. Buyer and Seller will cooperate in all respects in connection with: (a) securing any nongovernmental approvals, consents and waivers of third parties referenced in Section 6.6 or consents of third parties necessary for the transfer of the Purchased Assets from Seller to Buyer; and (b) giving notices to any governmental authority, or securing the permission, approval, determination,

consent or waiver of any governmental authority required by law in connection with the transfer of the Purchased Assets from Seller to Buyer.

6.8 Tax Returns and Payments.

(a) All tax returns, estimates and reports required to be filed by Seller prior to the Closing Date or relating to periods prior to the Closing Date will be timely filed by Seller with the appropriate governmental agencies.

(b) All taxes pertaining to ownership of the Purchased Assets or operation of any Station prior to the Closing Date will be paid when due and payable.

(c) There shall be no tax deficiencies (including penalties and interest) of any kind assessed against or relating to Seller or any Station with respect to any taxable periods ending on or before, or including, the date hereof of a character or nature that could result in Liens or claims on any of the Purchased Assets or on any Buyer's title, or use of the Purchased Assets or that could result in any claim against Buyer or any Station.

6.9 Updating of Information; Cure. Between the date of this Agreement and the Closing Date, Seller will deliver to Buyer: (a) information necessary to update the representations and warranties and the Schedules hereto and the lists, documents and other information furnished by Seller as contemplated by this Agreement; and (b) updated copies of documents relating to or included as a part of such Schedules, in order that all such Schedules, lists, documents and other information and items shall be complete and accurate in all respects as of the Closing Date. Such delivery shall be made promptly as such information becomes available until the Closing Date, on which date a final delivery shall be made. No such updating of the representations and warranties or the Schedules or the lists, documents and other information furnished by Seller as contemplated by this Agreement shall be deemed to cure any breach of a representation or warranty made hereunder which was not true and correct as of the time made.

6.10 Conveyance Free and Clear of Liens. Except for the Liens disclosed on SCHEDULE 6.10, at or prior to the Closing, Seller shall obtain the release of all Liens disclosed in the Schedules hereto and any other Liens on the Purchased Assets, and shall duly file releases of all such Liens in each governmental agency or office in which any such Lien or evidence thereof shall have been previously filed, and Seller shall transfer and convey, or cause to be transferred and conveyed, to Buyer at Closing good and marketable title to all of the Purchased Assets free and clear of all Liens, except for those Liens disclosed on SCHEDULE 6.10.

6.11 Financing Leases. At or prior to the Closing, Seller shall obtain the release of all obligations under any Financing Leases.

6.12 Public Announcement. Seller shall publish and/or broadcast public notice concerning the filing of the application for assignment of the Licenses in accordance with the requirements of Section 73.3580 of the FCC's Rules. As to any other announcements (and except for the applications requesting the FCC Consent), neither party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without prior approval of the other party hereto, except as and to the extent that such party shall be obligated by law or regulation, in which case the other party shall be so advised and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

6.13 Intentionally Omitted.

## ARTICLE 7

### CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

7.1 Compliance with Agreement. Seller shall have performed and complied in all material respects with all of its respective obligations under this Agreement which are to be performed or complied with by it prior to or at the Closing.

7.2 Proceedings and Instruments Satisfactory. All proceedings, corporate or other, to be taken by Seller in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Buyer and Buyer's counsel and Seller shall have made available to Buyer for examination the originals or true and correct copies of all documents which Buyer may reasonably request in connection with the transactions contemplated by this Agreement.

7.3 Representations and Warranties. The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except for changes permitted or contemplated by this Agreement and ignoring for this purpose any materiality or knowledge qualifiers therein.

7.4 No Material Adverse Change. Between the date of this Agreement and the Closing, there shall have been no material adverse change in the financial condition, liabilities, assets, prospects or results of operation of any Station nor any material adverse change in the condition of the Purchased Assets, including, without limitation, a default under the terms of any of the Contracts or Leases (unless expressly consented to or waived in writing) which could permit the acceleration of any material amounts due thereunder or termination thereof.

7.5 Event of Loss. Between the date of this Agreement and the Closing, no Station nor any of the Purchased Assets shall have sustained an Event of Loss which individually or in the aggregate would cost in excess \$25,000 to repair. If such an Event of Loss has occurred, Buyer may elect to extend the Closing Date for a period reasonably necessary for Seller to complete such repairs, not to exceed thirty (30) calendar days. If Buyer waives this condition, the provisions of Section 10.1 shall be applicable.

7.6 Deliveries at Closing. Seller shall have delivered or caused to be delivered to Buyer the documents required pursuant to Section 2.3(a) each properly executed and dated as of the Closing Date.

7.7 Other Documents. Seller shall have delivered to Buyer such documents and certificates of Seller and public officials as shall be reasonably requested by Buyer's counsel to establish the existence and good standing of Seller and the due authorization of this Agreement and the transactions contemplated hereby by Seller.

7.8 Possession; Instruments of Conveyance and Transfer. Seller shall deliver to Buyer at the Closing such other documents as shall be effective to vest in Buyer good and marketable title to the Purchased Assets as contemplated by this Agreement.

7.9 Approvals and Consent. There shall have been secured such permissions, approvals, determinations, consents, Estoppel Certificates and waivers, if any, in form and substance satisfactory to Buyer, as may be required by law, regulatory authorities, the Material Leases or the Material Contracts.

7.10 Intentionally Omitted.

7.11 Absence of Investigations and Proceedings. There shall be no decree, judgment, order or litigation at law or in equity, no arbitration proceedings, and no proceeding before or by any commission, agency or other administrative or regulatory body or authority pending to which Seller is a party or to which any Station or the Purchased Assets are subject, including any with respect to condemnation, zoning, use or occupancy, which could affect the ability of Buyer to operate any of the Stations or to use or acquire the Purchased Assets in the same manner as operated and used by Seller or as currently proposed to be used by Seller.

Without limiting the generality of the foregoing, no action, proceeding or formal investigation by any Person or governmental agency shall be pending with the object of challenging or preventing the Closing and no other proceedings shall be pending with such object or to collect damages from Buyer on account thereof. No action or proceeding shall be pending before the FCC or any governmental body to revoke, modify in any material respect or refuse to renew any of the Licenses. No suit, action or other proceeding shall be pending before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the transactions contemplated hereby.

7.12 Governmental Consents. The FCC Consent shall have been issued, and shall, at Closing, be a Final Order and in full force and effect and shall contain no provision that could have an adverse effect on the Buyer. All other authorizations, consents or approvals of any and all governmental regulatory authorities necessary in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained on terms and conditions acceptable to Buyer and be in full force and effect.

7.13 Licenses. Seller shall be the holder of the Licenses and there shall not have been any modification of any of such Licenses which could have an adverse effect on any Station or the conduct of its business operations. Each Station shall be operating in material compliance with all FCC requirements, rules and regulations and no proceeding shall be pending or threatened, the effect of which could be to revoke, cancel, fail to renew, suspend or modify materially and adversely any of the Licenses.

7.14 Absence of Liens; Payoff Letters. On the Closing Date and simultaneously with the Closing, there shall not be any Liens on the Purchased Assets except for liens for current taxes not yet due and payable and except for the items set forth on SCHEDULE 6.10. Seller shall deliver to Buyer copies of payoff letters for all existing indebtedness of Seller.

7.15 Network Affiliation Agreements. All network affiliation agreements shall be in full force and effect, and the Fox Broadcasting Company shall have consented to the assignment to Buyer of its network affiliation agreement, on terms and conditions acceptable to Buyer.

7.16 Intentionally Omitted.

If any of the conditions set forth in this Article 7 have not been satisfied, the Buyer may nevertheless waive such condition, but only in writing, and proceed with the consummation of the transactions contemplated hereby but such waiver shall not relieve Seller of any of its obligations under Article 9 hereof.

## ARTICLE 8

### CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER

Each and every obligation of Seller to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

8.1 Compliance with Agreement. Buyer shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by it prior to or at the Closing.

8.2 Proceedings and Instruments Satisfactory. All proceedings, limited liability company or other, to be taken by Buyer in connection with the transactions contemplated by this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Seller and Seller's counsel, and Buyer shall have made available to Seller for examination the originals or true and correct copies of all documents which Seller may reasonably request in connection with the transactions contemplated by this Agreement.

8.3 Representations and Warranties. The representations and warranties made by Buyer shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except for changes permitted or contemplated by this Agreement and ignoring for this purpose any materiality or knowledge qualifiers therein.

8.4 Deliveries at Closing. Buyer shall have delivered or caused to be delivered to Seller the documents, each properly executed and dated as of the Closing Date required pursuant to Section 2.3(b). Buyer shall also have made the payments described in Section 2.2.

8.5 Other Documents. Buyer shall have delivered to Seller such documents and certificates of officers of Buyer and of public officials as shall be reasonably requested by Seller's counsel to establish the existence and good standing of Buyer and the due authorization of this Agreement and the transactions contemplated hereby by Buyer.

8.6 Absence of Investigations and Proceedings. No action, proceeding or formal investigation by any Person or governmental agency shall be pending with the object of challenging or preventing the Closing and no other proceedings shall be pending with such object or to collect damages from Seller on account thereof.

8.7 Governmental Consents. The FCC Consent shall have been issued and be in full force and effect at Closing. All other material authorizations, consents or approvals of any and all governmental regulatory authorities necessary in connection with the Closing shall have been obtained and be in full force and effect.

If any of the conditions set forth in this Article 8 have not been satisfied, Seller may nevertheless waive such condition, but only in writing, and proceed with the consummation of the transactions contemplated hereby but such waiver shall not relieve Buyer of any of its obligations under Article 9 hereof.

## ARTICLE 9

### INDEMNIFICATION

From and after the Closing, the parties shall be indemnified as set forth below.

9.1 Indemnification of Buyer. Seller covenants and agrees with Buyer that it shall reimburse and indemnify and hold Buyer and its respective stockholders, general partners, limited partners, members, managers, directors, officers, employees, agents, representatives, affiliates and subsidiaries (and each of the heirs, representatives, successors and assigns of the foregoing) (collectively, the "Buyer Indemnified Parties") harmless from, against and in respect of any and all actions, suits, claims, proceedings, investigations, audits, demands, assessments, fines, judgments, liabilities, losses, damages, diminution in value, costs, expenses, interest and penalties (including, without limitation, reasonable attorneys' fees) (collectively, "Claims") incurred by any of the Buyer Indemnified Parties that result from:

(a) any inaccuracy in or breach of any representations or warranties made by Seller in this Agreement, the Schedules or any other written statement, list, certificate or other instrument furnished to Buyer by or on behalf of the Seller pursuant to this Agreement (ignoring for this purpose any materiality or knowledge qualifiers therein);

(b) any nonfulfillment of any covenant or agreement of Seller under this Agreement or the agreements and instruments contemplated herein;

(c) any liabilities and obligations that are not Assumed Liabilities;

(d) the operation or ownership of the Business, any of the Stations or the Purchased Assets prior to the Closing (except for the Assumed Liabilities);

(e) any taxes, payments, claims or accruals for salaries, wages, bonuses, vacation, severance, amounts payable under Station Employee Benefit Plans, or otherwise to employees or agents of Seller, and other liabilities and obligations of Seller, in each case relating to and incurred with respect to the periods on or prior to the Closing Date, whether or not due or payable on or prior to the Closing Date;

(f) any claims or litigation matters which relate or are due to the conduct of Seller or any Station on or prior to the Closing Date, including, without limitation, the claims described in SCHEDULE 4.14 hereto;

(g) the failure to comply with statutory provisions relating to bulk sales and transfers, if applicable;

(h) any fees, expenses or other payments incurred or owed by Seller to any brokers or comparable third parties retained or employed by it or its affiliates in connection with the transactions contemplated by this Agreement;

(i) any claims made by a third party alleging facts which, if true, would entitle Buyer to indemnification pursuant to (a) through (h) above;

(j) any failure of Seller to comply with its obligations under this Section 9.1; or



(k) any fees or expenses (including without limitation, reasonable attorneys' fees) incurred by Buyer in enforcing its rights hereunder.

The amounts for which Seller shall be liable under this Section 9.1 shall be net of any insurance proceeds paid to Buyer Indemnified Parties in connection with the facts giving rise to the right of indemnification.

9.2 Indemnification of Seller. Buyer covenants and agrees with Seller that it shall reimburse and indemnify and hold Seller and its directors, officers, employees and agents (and each of the heirs, representatives, successors and assigns of the foregoing) (collectively, the "Seller Indemnified Parties") harmless from, against and in respect of any and all Claims incurred by any of Seller Indemnified Parties that result from:

(a) any inaccuracy in or breach of any representations or warranties made by Buyer in this Agreement, the Schedules or any other written statement, list, certificate or other instrument furnished to Seller by or on behalf of Buyer pursuant to this Agreement (ignoring for this purpose any materiality or knowledge qualifiers set forth therein);

(b) any nonfulfillment of any covenant or agreement of Buyer under this Agreement;

(c) Assumed Liabilities;

(d) any fees, expenses or other payments incurred or owed by Buyer to any brokers or comparable third parties retained or employed by them or their affiliates in connection with the transactions contemplated by this Agreement;

(e) any claims made by a third party alleging facts which, if true, would entitle Seller to indemnification pursuant to (a) through (d) above;

(f) any failure of Buyer to comply with its obligations under this Section 9.2;

(g) any fees or expenses (including without limitation, reasonable attorneys' fees) incurred by Seller in enforcing its rights hereunder; or

(h) any claim, liability or obligation incurred by Buyer relating to the operation of the Stations after the Closing Date.

The amounts for which Buyer shall be liable under this Section 9.2 shall be net of any insurance proceeds paid to Seller Indemnified Parties in connection with the facts giving rise to the right of indemnification.

### 9.3 Method of Asserting Claims.

(a) The party seeking indemnification (the "Indemnitee") will give prompt written notice to the other party or parties (the "Indemnitor") of any Claim which it discovers or of which it receives notice after the Closing and which might give rise to a claim by it against Indemnitor under Article 9 hereof, stating the nature, basis and (to the extent known) amount thereof; provided that failure to give prompt notice shall not jeopardize the right of any Indemnitee to indemnification except to the extent such failure shall have materially prejudiced the ability of the Indemnitor to defend such Claim. Subject to the Indemnitor's right to defend in good faith third party claims as hereinafter provided, the

Indemnitor shall satisfy its obligations and this Article 9 within thirty (30) calendar days after receipt of written notice thereof from the Indemnatee.

(b) In case of any Claim or suit by a third party or by any governmental body, or any legal, administrative or arbitration proceeding with respect to which Indemnitor may have liability under the indemnity agreement contained in this Article 9, Indemnitor shall be entitled to participate therein, and, to the extent desired by it, to assume the defense thereof, and after notice from Indemnitor to Indemnatee of the election so to assume the defense thereof, Indemnitor will not be liable to Indemnatee for any legal or other expenses subsequently incurred by Indemnatee in connection with the defense thereof, other than reasonable costs of investigation, unless Indemnitor does not actually assume the defense thereof following notice of such election. Indemnatee and Indemnitor will render to each other such assistance as may reasonably be required of each other in order to insure proper and adequate defense of any such suit, Claim or proceeding. If the Indemnitor actually assumes the defense of the Indemnatee, the Indemnatee will not make any settlement of any Claim which might give rise to liability of Indemnitor under the indemnity agreements contained in this Article without the written consent of Indemnitor, which consent shall not be unreasonably withheld, and the Indemnitor shall not agree to make any settlement of any Claim which would not include the unconditional release of the Indemnatee without the written consent of Indemnatee, which consent shall not be unreasonably withheld.

(c) If the Indemnatee shall notify the Indemnitor of any claim or demand pursuant to Section 9.3(a), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnatee which the Indemnitor acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnatee under Sections 9.1 or 9.2, the Indemnitor shall have the right to employ counsel acceptable to the Indemnatee to defend any such claim or demand asserted against the Indemnatee. The Indemnatee shall have the right to participate in the defense of any such claim or demand. The Indemnitor shall notify the Indemnatee in writing, as promptly as possible (but in any case before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnatee to the Indemnitor under Section 9.3(a) of its election to defend in good faith any such third party claim or demand. So long as the Indemnitor is defending in good faith any such claim or demand asserted by a third party against the Indemnatee, the Indemnatee shall not settle or compromise such claim or demand. The Indemnatee shall make available to the Indemnitor or its agents all records and other materials in the Indemnatee's possession reasonably required by it for its use in contesting any third party claim or demand. Whether or not the Indemnitor elects to defend any such claim or demand, the Indemnatee shall have no obligation to do so.

9.4 Payment of Claims. Buyer shall have the right to cause any Claims it may have against Seller, whether under this Agreement or otherwise, to be paid by reduction or offset of such Claims against any amounts payable by Buyer pursuant to this Agreement. In addition, Buyer may offset any such Claims against the Escrow Reserve retained by the Escrow Agent pursuant to Section 2.5 hereof. The rights contained herein shall not be exclusive, but shall be in addition to any other rights and remedies available to Buyer. If such Claims by Buyer are pending against Seller at such time as the Escrow Reserve would otherwise be disbursed by the Escrow Agent, then the Escrow Agent shall withhold from such disbursement any amount that would become necessary to satisfy such Claim until such time as such Claim has been resolved.

## ARTICLE 10

### FURTHER AGREEMENTS

10.1 Event of Loss. Upon the occurrence of an Event of Loss prior to the Closing, Seller shall take steps to repair, replace and restore damaged, destroyed or lost property to its former condition. At Closing, if Buyer has waived the condition set forth in Section 7.5, Seller shall assign to Buyer all its rights under any insurance and to all proceeds of insurance covering the property damage, destruction or loss not so repaired, replaced or restored prior to Closing.

10.2 Station Employees.

(a) Buyer or an affiliate of Buyer may, but is not obligated to, offer employment to any employees of Seller primarily involved in the operations and management of the Stations (including part-time employees of any Station) in positions and on terms substantially similar to their present employment; provided, however, neither Buyer nor any of its affiliates shall be required to offer 401(k) matching. Buyer or an affiliate of Buyer may offer employment as of the Commencement Date to any Station Employee identified on a written list to be provided by Buyer to Seller on or before the Commencement Date. Thereafter, between the Commencement Date and ten (10) calendar days prior to the Closing Date, Buyer or an affiliate of Buyer may offer employment to any Station Employee identified on a written list to be provided by Buyer to Seller. To the extent Station Employees accept employment with Buyer or an affiliate of Buyer (collectively, "Transferred Employees"), such Transferred Employees will be included in Buyer's (or its affiliate's) then-existing employee welfare benefit plans (if any) and will be subject to Buyer's (or its affiliate's) then-existing employment policies, as generally applicable to Buyer's (or its affiliate's) employees.

(b) Nothing herein shall restrict Buyer's (or its affiliate's) ability to change or terminate the benefits or benefit plans provided to Buyer's (or its affiliate's) employees (including Transferred Employees) nor shall Buyer (or its affiliate) be required to provide to any employee any of the terms and conditions of employment provided by Seller, subject to, however, the requirements of any written employment agreements of Seller which Buyer assumes. This Section 10.2 shall operate exclusively for the benefit of the parties to this Agreement (including Buyer's affiliates) and not for the benefit of any other Person or entity, including, without limitation, any current, former or retired employee of Seller or Buyer.

(c) Subject to the terms of the LMA or any written agreement between the parties, Seller agrees that it shall be solely responsible and liable for any medical, disability, severance, COBRA, vacation (subject to Section 2.4 hereof), sick leave or other benefits owed under Seller's benefit plans, including, without limitation, any expenses for health or dental benefits incurred but not submitted for reimbursement prior to the Closing that are covered under Seller's benefit plans. Seller will be solely responsible for providing, at its cost, all medical, COBRA, life and other insurance coverage and benefits, and disability benefits to which any employee of Seller who retired or was terminated from service with Seller prior to the Commencement Date or who was disabled prior to the Commencement Date. Subject to the terms of the LMA or any written agreement between the parties, Seller will be solely responsible for providing, at its cost, all medical, COBRA, life and other insurance coverage and benefits, and disability benefits to which any employee of Seller who retired or was terminated from service with Seller between the Commencement Date and the Closing Date or who was disabled between the Commencement Date and the Closing Date.

(d) Subject to the terms of the LMA or any written agreement between the parties, Seller and Buyer acknowledge and agree that neither Buyer nor any of its affiliates shall assume any

liability whatsoever for any compensation arrangement or bonus plan for any Transferred Employee, except to the extent liabilities in respect of any such amounts have been included in calculating the adjustments pursuant to Section 2.4.

(e) Seller agrees that it will not enter into any collective bargaining agreement that would be contractually binding on Buyer without Buyer's prior written consent. Any such collective bargaining agreement will not be effective as to Buyer until on or after the Closing Date.

10.3 Bulk Transfer. Buyer and Seller hereby waive compliance with the bulk transfer provisions of the Uniform Commercial Code and all similar laws. Except for the Assumed Liabilities, Seller shall promptly pay and discharge when and as due all liabilities and obligations arising out of or relating to Seller's ownership, operation and sale of the Stations. Except for the Assumed Liabilities, Seller hereby agrees to indemnify, defend and hold Buyer harmless from and against any and all liabilities, losses, costs, damages or causes of action (including, without limitation, reasonable attorneys' fees and other legal costs and expenses) arising out of or relating to claims asserted against Buyer pursuant to the bulk transfer provisions of the Uniform Commercial Code or any similar law.

10.4 WARN Act. Seller shall be responsible for compliance with applicable provisions of the Worker Adjustment and Retraining Act, as amended (the "WARN Act").

10.5 Station Building. Beginning on the Commencement Date and for a period of ninety (90) calendar days thereafter, Buyer shall be permitted to occupy and operate from the Station Building without cost. From and after such 90-calendar day period, upon notice to Seller, Buyer may occupy the Station Building (and operate therefrom) on a month-to-month basis at a cost of Five Thousand Dollars (\$5,000.00) per month. At any time after the Commencement Date, Buyer may cease occupying and operating from the Station Building and relocate at its expense any of the equipment necessary to operate the Stations to a location(s) of its choosing; provided, however, if the transactions contemplated by this Agreement do not close, Buyer shall promptly relocate such equipment back to the Station Building at its expense.

10.6 Junction City Newspaper Office. At the Closing, Seller and Buyer shall enter into a lease for Buyer's lease of (i) the microwave antenna located on the tower at the Seller's Junction City newspaper office (the "news office") and (ii) sufficient space in the news office for the storage of Buyer's broadcasting equipment. Such lease shall provide Buyer (and its affiliates and designees) access to the news office and shall be for a term of at least one hundred and twenty (120) days following the Closing at no cost to Buyer.

## ARTICLE 11

### TERMINATION; MISCELLANEOUS

11.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date, as follows:

- (a) by mutual written agreement of Seller and Buyer;
- (b) by Buyer, if any of the conditions set forth in Article 7 of this Agreement shall not have been fulfilled by the Closing Date or as otherwise provided herein;
- (c) by Buyer, if there shall have been a material adverse effect in the financial condition, liabilities, assets, prospects or results of operation of any of the Stations or any material

adverse change in the condition of the Purchased Assets, including, without limitation, a default under the terms of any Contracts or Leases which could permit the acceleration of any material amounts due thereunder or termination thereof;

(d) by Buyer, if Seller is in material breach or default of its representations, warranties, covenants or obligations under this Agreement, the Schedules or any other written statement, list, certificate or other instrument furnished to Buyer by or on behalf of Seller pursuant to this Agreement, and such breach or default on the part of Seller shall not have been cured or waived within thirty (30) calendar days after written notice thereof from Buyer to Seller;

(e) by Buyer, pursuant to any of Section 6.6 hereof;

(f) by Buyer, upon a termination by Buyer of the LMA pursuant to its terms;

(g) by Seller, if Buyer is in material breach or default of its representations, warranties, covenants or obligations under this Agreement, the Schedules or any other written statement, list, certificate or other instrument furnished to Seller by or on behalf of Buyer pursuant to this Agreement, and such breach or default on the part of Buyer shall not have been cured or waived within thirty (30) calendar days after written notice thereof from Seller to Buyer;

(h) by Seller, if any of the conditions set forth in Article 8 of this Agreement shall not have been fulfilled by the Closing Date;

(i) by Seller, upon a termination by Seller of the LMA pursuant to its terms; or

(j) by Buyer or Seller, if the Closing has not occurred on or before December 31, 2009 unless one or more of the applications to transfer the Licenses are challenged by a third party, in which case this Agreement shall continue in full force and effect; provided however, this Agreement may be terminated by Buyer or Seller if the Closing has not occurred on or before June 30, 2010.

Notwithstanding the foregoing, in the event of the occurrence of any Special Circumstances (as defined below), Buyer may elect to extend the termination date under this Agreement until the earlier of (i) such time as the parties mutually agree either to abandon or to resume the transaction or (ii) December 31, 2010; provided further, that in the event of the occurrence of an additional Special Circumstance during such extended period, Buyer may elect to extend the termination date under this Agreement until June 30, 2011, after which the Agreement automatically shall terminate. The parties acknowledge that such an election may extend the term of this Agreement beyond the termination dates set forth above. As used herein, "Special Circumstances" shall mean any national or international act of terror, outbreak or escalation of hostilities, declaration of war, or any similar crisis, which in each case has a material adverse effect on financial and capital markets.

## 11.2 Rights on Termination; Waiver.

(a) In the event of the termination of this Agreement as provided in Section 11.1 above, all further obligations of the parties under or pursuant to this Agreement shall terminate without further liability of either party to the other, except as provided in Sections 11.2(b) and 11.2(c) below, and except as set forth in Section 11.2(c), the Earnest Money, together with all accrued interest thereon, shall be returned promptly to Buyer.

(b) If this Agreement is terminated by Buyer pursuant to any of Sections 11.1(b), 11.1(c), 11.1(d), 11.1(e) or 11.1(f) herein and Buyer is not in material default of its obligations under this

Agreement and has not breached in any material respects its representations and warranties hereunder, then Buyer shall be entitled to pursue all legal and equitable remedies against Seller, including specific performance and any and all rights or remedies to which it might otherwise be entitled under the LMA. Seller hereby acknowledges that the Purchased Assets are unique and that Buyer has no adequate remedy at law if Seller breaches this Agreement and Buyer shall be entitled to claim a return of the Earnest Money plus all interest earned thereon.

(c) If this Agreement is terminated by Seller pursuant to either Section 11.1(g) or Section 11.1(h) (except for failure of the condition set forth in Section 8.7, unless such failure is caused by Buyer) herein and Seller is not in material default of its obligations under this Agreement and has not breached in any material respect its representations and warranties hereunder, then Seller's sole and exclusive remedy shall be the Earnest Money (including any interest thereon) as liquidated damages. The parties agree that the liquidated damages provided in this Section are intended to limit the claims which Seller may have against Buyer in the circumstances described herein. The parties acknowledge and agree that the liquidated damages provided in this Section bear a reasonable relationship to the anticipated harm which would be caused by Buyer's breach of the Agreement. The parties further acknowledge and agree that the amount of actual loss caused by Buyer's breach of this Agreement is incapable of precise estimation and that Seller would not have a convenient and adequate alternative to liquidated damages hereunder.

11.3 Further Assurances. From time to time after the Closing Date, upon the reasonable request of Buyer, Seller shall execute and deliver, or cause to be executed and delivered, such further instruments of conveyance, assignment and transfer and take such further action as Buyer may reasonably request in order more effectively to sell, assign, convey, transfer, reduce to possession and record title to any of the Purchased Assets. Seller agrees to cooperate with Buyer in all reasonable respects to assure to Buyer the continued title to and possession of the Purchased Assets in the condition and manner contemplated by this Agreement.

11.4 Schedules. Any disclosure with respect to a Section of this Agreement requires a specific reference in the Schedules to such Section of the Agreement to which any such disclosure applies, and no disclosure shall be deemed to apply with respect to any Section to which it does not expressly apply.

11.5 Survival. The obligations to indemnify contained in Article 9 hereof, the agreements contained herein, the representations, warranties and covenants made in this Agreement, the Schedules or any other written statement, list, certificate or other instrument furnished pursuant to this Agreement shall survive the Closing and the consummation of the transactions contemplated by this Agreement, and shall survive any independent investigation by Buyer or Seller, and any dissolution, merger or consolidation of Buyer or Seller and shall bind the legal representatives, assigns and successors of Buyer and Seller.

11.6 Entire Agreement; Amendment; and Waivers. This Agreement, the Exhibits and Schedules hereto and thereto, the LMA and any agreement between the parties entered into contemporaneously with this Agreement constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

11.7 Expenses. Except as otherwise specifically provided herein, whether or not the transactions contemplated by this Agreement are consummated, each of the parties hereto shall pay the fees and expenses of its respective counsel, accountants and other experts incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby. The parties agree that any brokerage fees of Gammon Miller, L.L.C. in connection with the transactions contemplated hereby and any fees of the Escrow Agent shall be shared equally by Buyer and Seller.

11.8 Benefit; Assignment. This Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective successors and permitted assigns. No party to this Agreement may, directly or indirectly, by merger, operation of law, or otherwise, assign either this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other party; provided, however, that Buyer may, without Seller's consent, upon prior written notice to Seller (i) assign this Agreement to any FCC qualified affiliate of Buyer or (ii) upon the consummation of the Closing, collaterally assign its rights under this Agreement at Closing to any of Buyer's financing sources. Any assignment in violation of this Agreement shall be null and void *ab initio*. With respect to any permitted assignment hereunder, the parties shall reasonably cooperate to take actions necessary to effectuate such assignment, including but not limited to cooperating in any appropriate filings with the FCC or other governmental authorities.

11.9 Confidentiality.

(a) Buyer agrees that prior to Closing, Buyer and its agents and representatives shall not use for its or their own benefit (except when required by law and except for use in connection with Buyer's financing of the transaction and Buyer's investigation of the Stations and their assets in connection with this Agreement), and shall hold in strict confidence and not disclose: (i) any data or information relating to Seller, their affiliates or the Stations obtained from Seller or any of its directors, officers, employees, agents or representatives in connection with this Agreement; or (ii) any data and information relating to the Business, customers, financial statements, conditions or operations of the Stations, in each case which is confidential in nature and not generally known to the public (clauses (i) and (ii) together, "Seller's Information"). If the transactions contemplated in this Agreement are not consummated for any reason, Buyer shall return to Seller all data, information and any other written material obtained by Buyer from Seller in connection with this transaction and any copies, summaries or extracts thereof, and shall refrain from disclosing any of Seller's Information to any third party or using any of Seller's Information for its own benefit or that of any other Person.

(b) Seller agrees that Seller and its respective agents and representatives shall not use for its own benefit (except when required by law and except for use in connection with its respective investigations and reviews of the Buyer in connection with this Agreement), and shall hold in strict confidence and not disclose: (i) any data or information relating to Buyer or its affiliates obtained from Buyer, or from any of its members, directors, officers, employees, agents or representatives, in connection with this Agreement; or (ii) any data and information relating to the business, customers, financial statements, conditions or operations of the Buyer which is confidential in nature and not generally known to the public (clauses (i) and (ii) together "Buyer's Information"). If the transactions contemplated in this Agreement are not consummated for any reason, Seller shall return to Buyer all data, information and any other written material obtained by Seller from Buyer in connection with this transaction and any copies, summaries or extracts thereof and shall refrain from disclosing any of Buyer's Information to any third party or using any of Buyer's Information for its own benefit or that of any other Person.

(c) Seller will not, after the date hereof: (a) solicit, initiate or encourage the submission of any proposal or offer from any Person relating to (i) the liquidation, dissolution, sale of assets or stock, or recapitalization of, (ii) merger or consolidation with or into, (iii) acquisition or

purchase of assets of (other than in the ordinary course of business) or any equity interest in, or (iv) similar transaction or business combination, involving any of or all of the Stations (each, an “Alternative Transaction”), or (b) institute, pursue, or engage in any discussions, negotiations, or agreements with any Person concerning any of the foregoing, or (c) furnish any information with respect to any effort or attempt by any other Person to do any of the foregoing. Seller will immediately notify Buyer of any offer received from third parties regarding an Alternative Transaction.

11.10 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earlier of (i) the date when sent by telecopy or facsimile machine to the number shown below, or (ii) the Business Day after being properly deposited for delivery by commercial overnight delivery service, prepaid, or (iii) five (5) calendar days after deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, and addressed as follows, unless and until any of such parties notifies the other in accordance with this Section of a change of address or change of telecopy number:

If to Buyer:	NVT Topeka, LLC c/o New Vision Television 3500 Lenox Road Suite 640 Atlanta, GA 30326 Attention: Jason Elkin Telecopy No.: (404) 995-4712
With a copy to:	Locke Lord Bissell & Liddell LLP 1900 The Proscenium 1170 Peachtree St., N.E. Atlanta, Georgia 30309 Attention: Neil H. Dickson, Esq. Telecopy No.: (404) 872-5547
If to Seller:	Montgomery Communications, Inc. 222 W. Sixth Street Junction City, Kansas 66441-3047 Attention: John Montgomery Telecopy No.: (785) 762-4584
With a copy to:	Hoover Law Firm 811 North Washington Street Junction City, Kansas 66441 Attention: Mark Edwards, Esq. Telecopy No.: (785) 238-1717

11.11 Counterparts; Headings. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument. Without limiting the foregoing, a faxed copy of this Agreement or copy of this Agreement sent via email in a pdf format will be considered an original. The parties may execute this Agreement in any number of duplicate originals, including via faxed signature page or signature on a pdf formatted page sent via email, and in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or by email of a signature page in a pdf format is as effective as executing and delivering this Agreement in the presence



of the other party. Any party delivering an executed counterpart of this Agreement by facsimile or by email of a signature page in a pdf format will, upon request of the other party, also deliver a counterpart of this Agreement executed in wet ink as soon as reasonably practicable following transmittal by facsimile or by email of a signature page in a pdf format, but the failure to do so does not affect the validity, enforceability or binding effect of this Agreement. The Table of Contents and Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

11.12 Income Tax Position. Neither Buyer nor Seller shall take a position for income tax purposes which is inconsistent with this Agreement.

11.13 Severability. If any provision, clause or part of this Agreement or the application thereof under certain circumstances is held invalid, or unenforceable, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby.

11.14 Governing Law. This Agreement shall be construed and interpreted according to the laws of the State of Kansas, without regard to the conflict of law principles thereof.

11.15 Knowledge. As used herein with respect to any Person, the “knowledge” of that Person or words to that effect shall mean matters actually known to such Person as well as matters that after due inquiry would reasonably be expected to be known.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Purchase and Sale Agreement as of the day and year first above written.

**"BUYER"**

NVT TOPEKA, LLC

By: 

Its: President / COO

**"SELLER"**

MONTGOMERY COMMUNICATIONS, INC.

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

Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Purchase and Sale Agreement as of the day and year first above written.

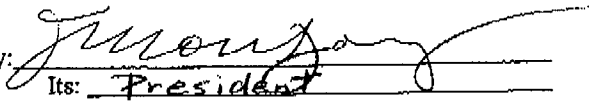
**"BUYER"**

**NVT TOPEKA, LLC**

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

**"SELLER"**

**MONTGOMERY COMMUNICATIONS, INC.**

By:  \_\_\_\_\_  
Its: President