

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of March 28, 2003 between Raycom Media, Inc. (or any of its subsidiaries or assigns), a Delaware corporation ("Buyer"), and **Venture Technologies Group, LLC**, a Delaware limited liability company ("Seller").

### WITNESSETH:

WHEREAS, Seller is engaged in the business of television broadcasting and operates and owns all of the assets and licenses used in the operation of a commercial television broadcast station WAWA-LP, Channel 14, in Syracuse, New York (the "Station"), under licenses issued by the Federal Communications Commission (the "FCC");

WHEREAS, Buyer desires to purchase from Seller certain of the assets and assume certain specified liabilities, and Seller desires to sell to Buyer certain of the assets and transfer certain specified liabilities, related to the conduct of the Station on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, Buyer and Seller hereby agree as follows:

### ARTICLE I

#### PURCHASE AND SALE

##### **SECTION 1.01 Purchase and Sale.**

Except as otherwise provided below, upon the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell, convey, transfer, assign and deliver to Buyer at the Closing, free and clear of any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, whether voluntarily incurred or arising by operation of Law or otherwise, ("Liens"), other than Permitted Liens (as defined in Section 2.06 hereof), the Contracts, Permits, Assumed Liabilities and the assets listed on Schedule 1.01 attached hereto (collectively the "Purchased Assets").

##### **SECTION 1.02 Excluded Assets.**

Buyer expressly understands and agrees that the assets listed on Schedule 1.02 shall be excluded from the Purchased Assets (the "Excluded Assets").

##### **SECTION 1.03 Assumed Liabilities.**

Upon the terms and subject to the conditions of this Agreement, Buyer agrees, effective at the Effective Time, to assume the liabilities and obligations of Seller under the contracts listed on Schedule 1.03(a)(i) (the "Contracts") and permits listed on Schedule 1.03(a)(ii) (the "Permits") arising with respect to the operation of the Station on and after the Closing Date (the "Assumed Liabilities")

##### **SECTION 1.04 Excluded Liabilities.**

Notwithstanding any provision in this Agreement or any other writing to the contrary, Buyer is assuming only the Assumed Liabilities and is not assuming any other liability or obligation of Seller of whatever nature, whether presently in existence or arising hereafter. All such other liabilities and obligations shall be retained by and remain obligations and liabilities of Seller (all such liabilities and obligations not being assumed being herein referred to as the "Excluded Liabilities").

##### **SECTION 1.05 Purchase Price.**

The purchase price for the purchase of the Purchased Assets shall be \$575,000 (the "Purchase Price"), payable in accordance with Section 1.06(a) at the Closing.

## **SECTION 1.06 Closing.**

The closing (the "Closing") of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities hereunder shall take place at 1:00 P.M. (New York, New York time) as soon as possible, but in no event later than five (5) Business Days, following the satisfaction or waiver of the conditions to the obligations of the parties set forth in Article VI. If feasible, Closing will be held via facsimile and/or overnight delivery, without the parties personally present at the same location, or at any time or place as Seller and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "Closing Date"). For purposes of this Agreement, the "Effective Time" shall be 12:01 A.M. (New York, New York time) on the Closing Date. At the Closing:

- (a) Buyer shall deliver to Seller the Purchase Price in immediately available funds by wire transfer to one or more accounts designated by Seller, by notice to Buyer, which notice shall be received no later than three (3) Business Days prior to the Closing Date.
- (b) Seller and Buyer shall enter into and deliver such bills of sale, instruments of assumption or conveyance, endorsements, consents, assignments, releases of Liens other than Permitted Liens and other good and sufficient instruments of conveyance and assignment as the parties and their respective counsel shall deem reasonably necessary to vest in Buyer all right, title and interest in, to and under the Purchased Assets as provided under this Agreement (the "Ancillary Agreements").

## **ARTICLE II**

### **SELLER'S REPRESENTATIONS AND WARRANTIES**

Seller represents and warrants to Buyer in each case as follows:

#### **SECTION 2.01 Corporate Existence and Power.**

Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its organization and has all powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

#### **SECTION 2.02 Authorization.**

- (a) The execution and delivery of this Agreement by Seller and each Ancillary Agreement to which Seller will be a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby are within Seller's powers and have been duly authorized by all requisite action on the part of Seller.
- (b) This Agreement has been, and at the Closing each Ancillary Agreement will be, duly executed and delivered by Seller. This Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Ancillary Agreement to which Seller will be a party will constitute when executed and delivered by Seller, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

#### **SECTION 2.03 Governmental Authorization.**

The execution, delivery and performance by Seller of this Agreement and each Ancillary Agreement to which Seller will be a party and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) as described in Schedule 2.03, (b) the Federal Communication Commission (the "FCC"), and (c) any such action by or in respect of or filing with any governmental authority as to which the failure to take, make or obtain could not reasonably be expected to have, individually or in the aggregate, a material adverse effect.

#### **SECTION 2.04 Noncontravention.**

Except as set forth in Schedule 2.04, the execution, delivery and performance of this Agreement by Seller and each Ancillary Agreement to which Seller will be a party and the consummation of the transactions contemplated hereby and thereby do not and

will not (a) violate or conflict with the articles of organization or operating agreement of Seller, (b) assuming compliance with the matters referred to in Section 2.03, conflict with or violate any law or governmental order applicable to Seller, or (c) result in the creation or imposition of any Lien on any of the Purchased Assets.

#### **SECTION 2.05            Real Property.**

Seller has valid leasehold or other interests, as applicable, in the leases listed in Schedule 2.05 (the "Leases"). True and complete copies of the Leases have heretofore been furnished by Seller to Buyer. Upon the Closing, all right, title and interest of Seller in, to and under the Leases will be transferred to Buyer free and clear of all Liens. Seller does not own any real property that is used or useful in connection with the business or operation of the Station.

#### **SECTION 2.06            Title to Purchased Assets; Liens; Condition.**

Seller has good and valid title to or valid leasehold interests in all of the Purchased Assets, free and clear of any and all Liens (other than (i) Liens that will be discharged by Seller on or prior to the Closing Date or (ii) liens for taxes not yet due or payable; landlord's liens and liens for property taxes not delinquent; inchoate materialmen's, mechanics' carriers' warehousemen's, landlords', workmen's or other like liens arising in the ordinary course of business and for which payment is not overdue; liens incurred on deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security and other similar laws; restrictions or rights granted to governmental authorities under applicable law; or zoning, building or similar restrictions relating to or affecting property that have no material adverse effect on the use of the property (collectively, "Permitted Liens"). At the Closing, all of the Purchased Assets shall be transferred to Buyer free and clear of any and all Liens other than Permitted Liens. Each material item of the Purchased Assets is in good condition and repair, ordinary wear and tear excepted.

#### **SECTION 2.07            Absence of Litigation.**

Except as set forth in Schedule 2.07, there is no material action pending or, to the knowledge of Seller, threatened against or affecting Seller, the Station or any of the Purchased Assets.

#### **SECTION 2.08            FCC Matters; Qualification.**

Schedule 2.08 contains a true and complete list of the FCC licenses, permits or other authorizations from the FCC required for the lawful operation of the Station substantially in the manner now operated (the "FCC Licenses"). Seller has delivered true, correct and complete copies of the FCC Licenses to Buyer, including any and all amendments and modifications thereto. Seller is, and at all time from and after the date of this Agreement to and including the Closing Date will be, legally, financially and otherwise qualified under the Communications Act of 1934, as amended, and rules and policies of the FCC promulgated thereunder (the "Communications Act") to perform its obligations hereunder, to be the licensee of, and to own and operate the Station. Except as set forth in Schedule 2.08(a), the Station is operated by Seller in material compliance with (i) the terms of the FCC Licenses and (ii) the Communications Act. Seller has filed or made all material applications, reports, and other disclosures required by the FCC to be made in respect to the Station and has timely paid all FCC regulatory fees in respect thereof, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a material adverse effect. The FCC Licenses are validly held by Seller, are in full force and effect, and are not subject to any condition except conditions applicable to broadcast television licenses generally or as otherwise disclosed on the face of the FCC Licenses. Seller has no knowledge of any facts or circumstances that could reasonably be expected to prevent the FCC from renewing the FCC Licenses in the ordinary course or granting the FCC Applications. Seller has no knowledge of any facts or circumstances that would disqualify Seller as the licensee, owner or operator of the Station.. There is not now pending and, to Seller's knowledge, there is not threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify in any material respect any of the FCC Licenses (other than proceedings to amend the Communications Act or proceedings of general applicability to the radio or television industries). There are no local marketing agreements, time brokerage agreements or any other similar agreement with respect to the provision of programming or related services to which Seller is a party relating to the Station.

**SECTION 2.09 Employees; Labor Matters.**

Schedule 2.09 sets forth a true and complete list, dated as of the date set forth thereon, of all individuals employed by the Station, including the names, date of hire, current rate of compensation, employment status (i.e., active, disabled, on authorized leave and reason therefor), department, title, whether covered by a collective bargaining agreement and whether full-time, part-time or per-diem.

**SECTION 2.10 Environmental Matters.**

Except as otherwise disclosed on Schedule 2.10, to Seller's knowledge:

- (i) no notice, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no investigation or action or review is pending or threatened by any governmental authority or other person with respect to any matters relating to Seller or the Station and relating to or arising out of any environmental law; and
- (ii) there are no liabilities of or relating to Seller or the Station of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any environmental law, and there are no facts, conditions, situations or set of circumstances that could reasonably be expected to result in or be the basis for any such liability.

**SECTION 2.11 Brokers.**

There is no broker, finder, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Seller who or that might be entitled to any fee or commission from Buyer in connection with the transactions contemplated by this Agreement or the Ancillary Agreements.

**ARTICLE III**

**SELLER'S COVENANTS**

**SECTION 3.01 Operations Pending Closing.**

Except as otherwise set forth herein and subject to the provisions of Section 4.02 regarding Control of the Station, after the date of this Agreement and prior to the Closing, Seller shall:

- (a) operate or cause the operation of the Station in the ordinary course of business consistent with past practices and use commercially reasonable efforts to preserve substantially intact the relationships of the Station with its customers, employees, suppliers, licensors, licensees, distributors and others with whom the Station deals;
- (b) operate the Station in all material respects in compliance with the Communications Act and the FCC Licenses and not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the FCC Licenses to expire or to be revoked, suspended or adversely modified, or take or fail to take, any action that would be reasonably likely to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses;
- (c) not apply to the FCC for any construction permit or file any amendment to the FCC Licenses that would restrict the Station's operations;
- (d) maintain the Purchased Assets in good operating condition, ordinary wear and tear excepted, and replace with a substantially equivalent asset of substantially equivalent quality or utility any of the Purchased Assets that shall not be working or shall be lost, stolen or destroyed, and not make any material change in the Station's buildings, leasehold improvements or fixtures that is not in the ordinary course of business, except when such change is necessary to maintain or continue the transmission of the Station's signal at substantially the same power and strength and interference level as transmitted on the date hereof;
- (e) not assign, lease or otherwise transfer or dispose of any of the Purchased Assets, except where the proceeds of such

disposition are applied to the acquisition of replacement assets of equivalent kind and use;

- (f) keep Buyer apprised of material developments in negotiations for existing and proposed program rights agreements and seek Buyer's approval prior to entering into any program rights agreement; by or on behalf of the Station; said approval shall not be unreasonably withheld; and,
- (g) collect the accounts receivable and pay the accounts payable in a manner consistent with past practices.

### **SECTION 3.02            Access to Information.**

From the date hereof until the Closing Date, upon reasonable notice, Seller shall (i) give Buyer, its counsel, financial advisors, auditors and other authorized representatives full access during normal business hours to the offices, properties, books and records of the Station, (ii) furnish to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information (including but not limited to all program rights agreements ) relating to the Station as such Persons may from time to time reasonably request and (iii) instruct the employees, counsel and financial advisors of Seller to cooperate with Buyer in its investigation of the Station and any of the Purchased Assets; provided, however, that any investigation pursuant to this Section 3.02 shall be conducted in such manner as not to unreasonably interfere with the conduct of the business of the Station. No investigation by Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller hereunder.

### **SECTION 3.03            Risk of Loss.**

Upon the occurrence prior to the Closing of any casualty loss, damage or destruction material to the operation of the Station, Seller shall promptly give Buyer written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Seller shall use its commercially reasonable efforts to commence promptly and thereafter to proceed diligently to repair or replace any such lost, damaged or destroyed property whether such loss, damage or destruction occurs prior to, on or after the date of this Agreement, such efforts to include the payment of any applicable insurance policy deductibles. However, in the event that such repair or replacement is not fully completed prior to the Closing Date, or the loss, damage or destruction causes the Station to be off the air for forty-eight (48) consecutive hours or more, then Buyer may elect to (i) consummate the transactions contemplated hereby on the Closing Date, in which event Seller shall assign to Buyer the portion of the insurance proceeds, if any, not previously expended by Seller to repair or replace the damaged or destroyed property, (ii) terminate this Agreement, or (iii) delay the Closing Date until fifteen (15) days after Seller gives written notice to Buyer of completion of the repair or replacement of the damaged or destroyed property; provided that in no event shall Buyer delay the Closing to a date more than sixty (60) days after the Termination Date; provided further that if Seller is unable through its commercially reasonable efforts to complete such repair or replacement within sixty (60) days after the casualty, Buyer may then terminate this Agreement.

## ARTICLE IV

### COVENANTS OF BUYER AND SELLER

#### SECTION 4.01. Commercially Reasonable Efforts; Further Assurances.

- (a) Subject to the terms and conditions of this Agreement, Buyer and Seller will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary or desirable under applicable law to consummate the transactions contemplated by this Agreement; provided that notwithstanding anything to the contrary contained in this Agreement, Buyer shall not be required to sell or otherwise dispose of, hold separate (through the establishment of a trust or otherwise), divest itself of, or limit the ownership or operations of all or any portion of its businesses, assets or operations.
- (b) As soon as reasonably practical after the execution of this Agreement, Buyer will approach Time Warner Cable/Syracuse Division ("Time Warner") in an effort to obtain an agreement from Time Warner acceptable to Buyer in its sole discretion to retransmit the signal of the Station on the Time Warner cable systems as set forth on Schedule 4.01 (the "Time Warner Cable Systems") covering the Syracuse, New York Designated Market Area (the "TW Carriage Agreement"). Seller understands that Buyer's negotiations with Time Warner involve a substantial amount of business risk, that such negotiations may not be successful and that such negotiations may make it substantially more difficult for Seller to obtain a retransmission consent or the TW Carriage Agreement from Time Warner in the event this Agreement is terminated and the purchase and sale contemplated hereunder is not consummated. Seller hereby releases and discharges Buyer, its officers, directors, agents, attorneys and employees from any and all causes of action, suits, claims, demands, liabilities, and obligations, in law or in equity, whether the same or whether the facts on which the same may be based are now known or unknown, which it ever had, now has or hereafter can, shall, or may have for, upon or by reason of any matter, cause or thing whatsoever arising from the negotiations with Time Warner and the efforts to obtain the TW Carriage Agreement. If the TW Carriage Agreement cannot be obtained within 60 days after the execution of this Agreement, either party shall have the right to terminate this Agreement unless Buyer requests in writing to Seller prior to the conclusion of the 60 days a 30 day extension. Said extension will be granted by Seller if Buyer has obtained a signed term sheet from Time Warner regarding Carriage and Buyer so notifies Seller that a final agreement is probable within that 30 days time frame. If after the 30 day extension no Agreement is obtained, either party shall have the right to terminate this Agreement.
- (c) Buyer and Seller shall prepare and file with the FCC as soon as practicable after receipt of the TW Carriage Agreement but in no event later than fifteen (15) Business Days thereafter, the requisite applications (the "FCC Applications") and other necessary instruments or documents requesting the FCC's grant of its consent to the assignment of each of the FCC Licenses from Seller to Buyer (the "FCC Consent") and thereupon prosecute such applications with all reasonable diligence to obtain the requisite FCC Consent; provided, however, except as provided in the following sentence, neither Buyer nor Seller shall be required to pay consideration to any third party to obtain the FCC Consent. Buyer shall pay one-half (1/2) and Seller shall pay one-half (1/2) of the FCC filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated.

#### SECTION 4.02. Control Prior to Closing.

The parties acknowledge and agree that, for the purposes of the Communications Act, this Agreement and, without limitation, the covenants in Articles III and IV, are not intended to and shall not be construed to transfer control of the Station from Seller to Buyer prior to the Closing Date.

#### SECTION 4.03. Third Party Consents.

[Seller shall use all reasonable efforts and Buyer shall cooperate in all reasonable respects with Seller to obtain any third party consent or approval required pursuant to any Contracts as a result of the purchase and sale of the Purchased Assets as contemplated herein. If such a consent is not obtained, or if an attempted assignment of such an Contract be ineffective, Seller shall use all reasonable efforts to provide Buyer the benefits of any such Contract and, to the extent Buyer is provided with the benefits of such Contract, Buyer shall perform or discharge on behalf of Seller the obligations and liabilities under such Contract in accordance with the provisions thereof. In addition to Buyer's obligation pursuant to the foregoing sentence, as to any Contract that is not effectively assigned to Buyer as of the Effective Time but is thereafter effectively assigned to Buyer, Buyer shall, from and after the effective date of such assignment, assume, and shall thereafter pay, perform and discharge as and when due, all liabilities and obligations of Seller arising under such Contract.]

## ARTICLE V

### PENSION, EMPLOYEE AND UNION MATTERS

#### SECTION 5.01. Employment.

Attached as Schedule 2.09 is a list of all individuals employed by Seller in connection with the business and operations of the Station ("Active Employees"). Seller understands that Buyer may hire some or all of the Active Employees of Seller. Notwithstanding the foregoing, Buyer shall have no obligation to hire any of Seller's employees and shall have no liabilities of any kind in connection with any such employees arising from their employment by Seller or the termination thereof (including COBRA liabilities). Any employees hired by Buyer shall enter into a new employment relationship with Buyer subject to terms and conditions established by Buyer and Buyer shall have no responsibility for any payroll taxes, accrued vacation pay, fringe benefits or other prepaid or deferred obligations for any employee of Seller who enters into the employment of Buyer arising from any period before such employee enters into an employment relationship with Buyer. On the Closing Date, Seller shall terminate all employees of the Station.

## ARTICLE VI

### CONDITIONS TO CLOSING

#### SECTION 6.01. Conditions to Obligations of Buyer and Seller.

The obligations of Buyer and Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

- (a) Any applicable waiting period, clearance, approval or filing under any law or regulation relating to the transactions contemplated hereby shall have expired or been terminated or shall have been obtained or made.
- (b) No provision of any applicable law and no governmental order shall prohibit the consummation of the Closing.
- (c) The FCC Consent shall have been granted and shall be in full force and effect.
- (d) There shall not be instituted or pending any action challenging this Agreement or the transactions contemplated hereby or seeking to restrain, alter, prohibit or otherwise materially interfere with the Closing by any person before any governmental authority.

#### SECTION 6.02. Conditions to Obligations of the Seller.

The obligations of the Seller to consummate the transactions contemplated by this Agreement shall be subject to Buyer having performed and complied with in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date.

#### SECTION 6.03. Conditions to Obligations of Buyer.

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following further conditions:

- (a) (i) Seller shall have performed and complied with in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date;
- (ii) the representations and warranties of Seller contained in this Agreement and in any certificate or other writing delivered by such Seller pursuant hereto (A) that are qualified by materiality or material adverse effect shall be true and correct and (B) that are not qualified by materiality or material adverse effect shall be true and correct in all material respects, in each case at and as of the Closing Date as if made at and as of such date (except that representations and warranties that by their terms speak as of the date of this Agreement or some other date

need be true and correct, or true and correct in all material respects, as the case may be, only as of such specified date); and

- (iii) Buyer shall have received a certificate signed by the Chief Executive Officer of Seller to the foregoing effect.
- (b) Buyer shall have received all documents it may reasonably request relating to the existence of the Seller and the authority of Seller for this Agreement, all in form and substance reasonably satisfactory to Buyer.
- (c) The FCC Consent (i) shall not have been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (ii) no request for stay, petition for rehearing, reconsideration or review or appeal or sua sponte review by the FCC shall be pending, and (iii) the time for filing any such request, petition or appeal or for review by the FCC on its own motion has expired.
- (d) During the thirty (30) days immediately preceding what would otherwise be the Closing Date, and on the Closing Date, the Station shall have been and shall be operating continuously with all of its normal broadcasting capability other than any interruption of a duration no longer than thirty (30) minutes.
- (e) Buyer shall have obtained the TW Carriage Agreement which shall be in full force and effect.
- (f) Seller shall have cured to Buyer's reasonable satisfaction any non-compliance with the terms of the FCC Licenses.

## ARTICLE VII

### TERMINATION

#### SECTION 7.01. Termination.

This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by the mutual written consent of Seller and Buyer;
- (b) either by Seller or by Buyer:
  - (i) if the Closing shall not have occurred on or before September 30, 2003 (the "Termination Date") or such other date contemplated by Section 3.03 of this Agreement; provided, however, that the right to terminate this Agreement under this Section shall be suspended as to any party whose breach, misrepresentation or failure to fulfill any material obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date; or
  - (ii) if there shall be any Law that restrains or prohibits consummation of the transactions contemplated hereby or if a final, nonappealable governmental order is issued restraining or otherwise prohibiting consummation of the transactions contemplated hereby.
- (iii) by either party in accordance with Section 4.01(b) if the TW Carriage Agreement shall not have been obtained within [90] days after the execution of this Agreement;
- (c) by Buyer if the Time Warner Carriage Agreement is not in full force and effect;
- (d) by Seller upon a breach of any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement, or if any representation or warranty of Buyer shall have become untrue, in either case such that the condition set forth in Section 6.02(a) would not be satisfied, unless such breach or untruth can be cured prior to Closing and after receipt of notice thereof Buyer proceeds in good faith to cure such breach or untruth as promptly as practicable;
- (e) by Buyer upon a breach of any representation, warranty, covenant or agreement on the part of Seller set forth in this Agreement, or if any representation or warranty of Seller shall have become untrue, in either case such that the condition set forth in Section 6.03(a) would not be satisfied, unless such breach or untruth can be cured prior to Closing and after



receipt of notice thereof Seller proceeds in good faith to cure such breach or untruth as promptly as practicable;

- (f) by Buyer as set forth in Section 3.03; or
- (g) by Buyer if the Station shall have for a period of forty-eight (48) consecutive hours or more (A) ceased broadcasting on its authorized frequency, or (B) been broadcasting at a reduced power level, which reduction is reasonably likely to materially and adversely affect the operations or business of the Station; provided that Buyer must exercise this termination right within thirty (30) days after the date on which the Station has resumed uninterrupted broadcasting on its authorized frequencies or resumed broadcasts at full power, as the case may be.

#### **SECTION 7.02. Effect of Termination.**

In the event of the termination of this Agreement pursuant to Section 7.01 of this Agreement, this Agreement shall become void and have no effect, except that (i) the provisions of this Section 7.02, Section 4.01(b) and Article 8 of this Agreement shall survive any such termination.

### **ARTICLE VIII**

#### **SURVIVAL; INDEMNIFICATION**

##### **SECTION 8.01. Survival.**

The representations and warranties of the parties hereto contained in or made pursuant to this Agreement or in any certificate or other writing furnished pursuant hereto or in connection herewith shall survive in full force and effect until the third anniversary of the Closing Date; provided that (i) any and all covenants and agreements shall survive indefinitely and (ii) the representations and warranties in Article II shall survive until expiration of the statute of limitations applicable to the matters covered thereby (giving effect to any waiver, mitigation or extension thereof). Notwithstanding the preceding sentence, any covenant, agreement, representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

##### **SECTION 8.02. Indemnification by Buyer.**

- (a) Buyer shall indemnify against and hold Seller and its respective employees, managers, officers and directors (collectively, the "Seller Indemnified Parties") harmless from, and agrees to promptly defend any Seller Indemnified Party from and reimburse any Seller Indemnified Party for, any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including any Action brought by any governmental authority or person and including reasonable attorneys' fees and expenses reasonably incurred) (collectively, "Losses"), which such Seller Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:
  - (i) any failure of any representation or warranty of Buyer, whether made in or pursuant to this Agreement, to be true when made and at and as of the Closing Date as if made at and as of such date (except that representations and warranties that by their terms speak as of the date of this Agreement or some other date need be true only as of such specified date), in each case determined without regard to any material adverse effect qualification contained in any representation or warranty (each such misrepresentation and breach of warranty, or such failure of any representation or warranty to be true, a "Buyer Warranty Breach");
  - (ii) any failure by Buyer to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the documents and/or other instruments delivered by Buyer pursuant to this Agreement;
  - (iii) the Assumed Liabilities; and
  - (iv) to the extent arising from the operation of the Station by Buyer from and after the Effective Time, except to the extent indemnified by Seller under Section 8.03.

### SECTION 8.03. Indemnification by Seller.

- (a) Seller shall indemnify against and hold Buyer, its employees, officers and directors (collectively, the "Buyer Indemnified Parties") harmless from, and agrees to promptly defend any Buyer Indemnified Party from and reimburse any Buyer Indemnified Party for, any and all Losses that such Buyer Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:
  - (i) any failure of any representation or warranty of either Seller (whether made in or pursuant to this Agreement or in any instrument or certificate delivered by the Seller at the Closing in accordance herewith) to be true when made and at and as of the Closing Date as if made at and as of such date (except that representations and warranties that by their terms speak as of the date of this Agreement or some other date need be true only as of such specified date), in each case determined without regard to any Material Adverse Effect qualification contained in any representation or warranty (each such misrepresentation and breach of warranty, or such failure of any representation or warranty to be true, a "Seller Warranty Breach");
  - (ii) any failure by Seller to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the documents and/or other instruments delivered by Seller pursuant to this Agreement;
  - (iii) the Excluded Assets;
  - (iv) the Excluded Liabilities; and
  - (v) to the extent arising from the operation of the Station before the Effective Time other than as a result of or in connection with any Assumed Liability.
- (b) Notwithstanding any other provision to the contrary, Seller shall not be required to indemnify and hold harmless any Buyer Indemnified Party pursuant to this Section: (A) unless such Buyer Indemnified Party has asserted a claim with respect to such matters within the applicable survival period set forth herein and (B) until the aggregate amount of the Buyer Indemnified Parties' Losses resulting from Seller Warranty Breaches exceeds \$7,000, and then only to the extent of such Losses in excess of such amount; provided, however, that the cumulative indemnification obligation of Seller under this Section shall in no event exceed \$700,000.

### SECTION 8.04. Notification of Claims.

- (a) A party entitled to be indemnified pursuant to Section 8.02 or 8.03 (the "Indemnified Party") shall promptly notify the party liable for such indemnification (the "Indemnifying Party") in writing of any claim or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was damaged as a result of such failure. Subject to the Indemnifying Party's right to defend in good faith third party claims as hereinafter provided, the Indemnifying Party shall satisfy its obligations under this Article VIII within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.
- (b) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 8.04(a), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party which the Indemnifying Party acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnified Party under Section 8.02 or 8.03, the Indemnifying Party shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend any such claim or demand asserted against the Indemnified Party for so long as the Indemnifying Party shall continue in good faith to diligently defend against such action or claim. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case five (5) Business Days before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party under Section 8.04(a) of its election to defend in good faith any such third party claim or demand. So long as the Indemnifying Party is diligently defending in good faith any such claim or demand asserted by a third party

against the Indemnified Party, the Indemnified Party shall not settle or compromise such claim or demand without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, and the Indemnified Party shall make available to the Indemnifying Party or its agents all records and other material in the Indemnified Party's possession reasonably required by it for its use in contesting any third party claim or demand. Whether or not the Indemnifying Party elects to defend any such claim or demand, the Indemnified Party shall have no obligations to do so. In the event the Indemnifying Party elects not to defend such claim or action or if the Indemnifying Party elects to defend such claim or action but fails to diligently defend such claim or action in good faith, the Indemnified Party shall not settle or compromise such claim or action without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. Nothing in this Section 8.04(b) shall limit or modify the obligations of the Indemnifying Party to indemnify the Indemnified Party as contemplated in Section 8.02 or 8.03, as applicable.

## **ARTICLE IX**

### **GENERAL PROVISIONS**

#### **SECTION 9.01 Notice.**

All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, (ii) sent by facsimile (with receipt personally confirmed by telephone), delivered by personal delivery or sent by commercial delivery service or certified mail, return receipt requested, (iii) deemed to have been given on the date sent by facsimile with receipt confirmed, the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt and (iv) addressed as provided on the signature page hereof or otherwise as either party may notify the other in writing.

#### **SECTION 9.02. Miscellaneous.**

Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced because of any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible. This Agreement, [the Confidentiality Agreement – is there such an agreement in place?], the Ancillary Agreements and any agreements and other documents entered into contemporaneously with this Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the Seller on the one hand and Buyer on the other hand with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto, except that Buyer may assign or delegate to any direct or indirectly wholly-owned subsidiary of Buyer the right to acquire some or all of the Purchased Assets or assume any Assumed Liability in connection therewith without the prior consent of Seller. This Agreement may not be amended or modified except by an instrument in writing signed by Seller and Buyer. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written.

**VENTURE TECHNOLOGIES GROUP, LLC**

By: 

Paul Koplin, President  
Address: 5670 Wilshire Blvd  
Suite 1300  
Los Angeles, California 90036  
Telephone: (323) 965-5400  
Facsimile: (323) 965-5411

**RAYCOM MEDIA, INC.**

By: 

Paul McTear, President and CEO  
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