

## ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** is made this 28th day of September, 2014, by and between **Sinclair Television Group, Inc.**, a Maryland corporation ("*STG*"), and **HSH Birmingham (WCFT) Licensee, LLC**, a Delaware limited liability company ("*HSH Birmingham*"), wholly owned by **Howard Stirk Holdings, LLC**, a Delaware limited liability company ("*HSH*").

STG's subsidiary is the licensee of commercial television broadcast station WJSU-TV, Anniston, AL (Facility ID No. 56642) ("*WJSU*"), pursuant to licenses issued by the Federal Communications Commission (the "*FCC*"). WJSU serves the Birmingham, AL television market (the "*Birmingham DMA*"). STG purchased the entity that is the licensee of WJSU effective August 1, 2014 (the "*WJSU Closing Date*").

STG and HSH Birmingham have agreed that STG will sell and cause to be transferred and HSH Birmingham will acquire certain of the assets of WJSU on the terms and subject to the conditions set forth in this agreement, including the FCC's consent to the assignment of the WJSU FCC Licenses (as defined below) to HSH Birmingham. **Article 11** of this Agreement contains a glossary of defined terms.

**THEREFORE**, intending to be legally bound, the parties agree as follows:

### **1. PURCHASE OF ASSETS**

**1.1. Closing.** Subject to satisfaction or waiver of the conditions set forth in **Section 5**, the closing of the sale and purchase of assets hereunder (the "*Closing*") shall take place at 10:00 a.m. Washington, D.C. time at the offices of Colby M. May, Esq., 205 3<sup>rd</sup> Street, SE, Washington, D.C., on a date (the "*Closing Date*") designated by HSH Birmingham, which date shall be no more than 3 days after the date that the grant of the FCC Consent (as defined in **Section 4.1**), or at such other place and time as HSH Birmingham and STG may mutually agree. The effective time of the Closing shall be 12:01 a.m., local Birmingham time, on the Closing Date (the "*Effective Time*").

**1.2. WJSU Assets.** At the Closing, STG shall, or cause its subsidiary to, assign, transfer and convey to HSH Birmingham, and HSH Birmingham shall acquire from STG, all of STG's right, title and interest in the following assets (the "*WJSU Assets*"), and no others:

(a) the FCC licenses identified on Schedule 1.2(a) (the "*WJSU FCC Licenses*"), including any other construction permit, temporary waiver or special temporary authorization relating solely to WJSU held by STG on the Closing Date, and any other application for license, construction permit or other authorization relating solely to WJSU pending before the FCC at the Closing;

(b) the equipment listed on Schedule 1.2(b) (the "*WJSU Transmission Assets*"); and

(c) the public inspection file for WJSU and any technical information and engineering data relating to the WJSU Transmission Assets in STG's possession.

The WJSU Assets shall be delivered to HSH Birmingham in "as is, where is" condition, without any representation or warranty except as expressly set forth in **Section 2** of this Agreement, and HSH Birmingham acknowledges that it has not relied on or been induced to enter into this Agreement by any representation or warranty other than as set forth in **Section 2** of this Agreement. The WJSU Assets shall be conveyed free and clear of all debts, liens, mortgages, pledges, security interests, claims, liabilities and encumbrances ("*Liens*") except for Permitted Liens, if any, and except as otherwise expressly provided in this Agreement.

**1.3. Excluded Assets.** HSH Birmingham acknowledges that it is not buying the business of WJSU as a going concern. The WJSU Assets shall not include any properties, assets, privileges, rights, interests, claims, real or personal, tangible or intangible, of any type or description, of STG except as set forth in **Section 1.2**. Specifically, but not as a limitation, STG shall retain certain FCC licenses, all programming, agreements with programmers, agreements with advertisers, employees, studio equipment, and studios and other offices used in the operation of WJSU, and all other assets of STG except as specifically set forth in **Section 1.2**.

**1.4. Purchase Price.** In consideration for the sale of the WJSU Assets, at Closing, HSH Birmingham shall, in addition to assuming the Assumed Obligations, as defined in section 1.5, pay STG Fifty Thousand Dollars (\$50,000.00) (the "*Purchase Price*") by wire transfer of immediately available funds pursuant to wire instructions which STG shall provide to HSH Birmingham.

**1.5. Assumption of Obligations.** At the Closing, HSH Birmingham shall assume and undertake to pay, satisfy, perform or discharge: all liabilities, obligations and commitments arising from or relating to the ownership of the WJSU Assets at and after the Effective Time (collectively, the "*Assumed Obligations*"). Except as set forth in this **Section 1.5**, HSH Birmingham does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any other liabilities, obligations or commitments of STG of any nature whatsoever.

**1.6. Prorations.**

(a) All expenses arising from the ownership and operation of the WJSU Assets shall be prorated between HSH Birmingham and STG as of the Effective Time in accordance with generally accepted accounting practices. Such prorations shall be based upon the principle that STG shall be responsible for all liabilities accruing in connection with the ownership and operation of the WJSU Assets until the Effective Time, and HSH Birmingham shall be responsible for all such liabilities accruing thereafter. Such prorations shall include FCC regulatory fees, real and personal property taxes, utility expenses, rents, deposits and similar prepaid and deferred items. Real and personal property taxes shall be apportioned on the basis of the latest available tax bill. Taxes arising by reason of the transfer of the WJSU Assets shall not be prorated but shall be paid in accordance with **Section 1.7**.

(b) Three (3) business days prior to Closing, STG shall deliver to HSH Birmingham a preliminary list of all items to be prorated pursuant to **Section 1.6(a)** (the

“*Preliminary Proration Schedule*”), and, to the extent that HSH Birmingham and STG agree, such preliminary prorations shall be credited against or added to the Purchase Price at Closing. In the event HSH Birmingham and STG do not reach a final agreement on such prorations at Closing, STG shall deliver to HSH Birmingham a schedule of its proposed prorations (the “*Proration Schedule*”) no later than forty-five (45) days after the Closing Date. The Proration Schedule shall be conclusive and binding upon HSH Birmingham unless HSH Birmingham provides STG with written notice of objection (the “*Notice of Disagreement*”) within ten (10) days of HSH Birmingham’s receipt of the Proration Schedule, which notice shall state the prorations proposed by HSH Birmingham (“*HSH Birmingham’s Proration Amount*”). STG shall have ten (10) days from receipt of a Notice of Disagreement to accept or reject HSH Birmingham’s Proration Amount. If STG rejects HSH Birmingham’s Proration Amount, and the amount in dispute exceeds \$10,000, either party may submit the dispute for resolution to an independent certified public accountant mutually agreeable to HSH Birmingham and STG (the “*Referee*”), such resolution to be made within twenty (20) days after submission to the Referee and to be final, conclusive and binding on STG and HSH Birmingham. If the amount in dispute is equal to or less than \$10,000, such amount shall be divided equally between HSH Birmingham and STG. Except as specified in the following sentence, the cost of any arbitration (including the fees and expenses of the Referee) pursuant to this **Section 1.6(b)** shall be borne by HSH Birmingham and STG in inverse proportion as they may prevail on matters resolved by the Referee, which proportional allocations shall also be determined by the Referee at the time the determination of the Referee is rendered on the matters submitted. The fees and expenses (if any) of HSH Birmingham’s independent auditors and attorneys incurred in connection with the review of the Proration Schedule shall be borne by HSH Birmingham, and the fees and expenses (if any) of STG’s independent auditors and attorneys incurred in connection with their review of the Notice of Disagreement shall be borne by STG.

(c) Payment by HSH Birmingham or STG, as the case may be, of the proration amounts determined pursuant to **Section 1.6(b)** shall be due five (5) days after the last to occur of (i) HSH Birmingham’s acceptance of the Proration Schedule or failure to give STG a timely Notice of Disagreement; (ii) STG’s acceptance of HSH Birmingham’s Proration Amount or failure to reject HSH Birmingham’s Proration Amount within ten (10) days of receipt of the Notice of Disagreement; (iii) STG’s rejection of HSH Birmingham’s Proration Amount in the event the amount in dispute equals or is less than \$10,000; and (iv) notice to STG and HSH Birmingham of the resolution of the disputed amount by the Referee in the event that the amount in dispute exceeds \$10,000. Notwithstanding the foregoing, in the event that HSH Birmingham delivers a Notice of Disagreement, STG or HSH Birmingham shall be required to make a payment of any undisputed amount to the other regardless of the resolution of the items contained in the Notice of Disagreement, and STG or HSH Birmingham, as applicable, shall within ten (10) days of the receipt of the Notice of Disagreement make payment to the other of such undisputed amount owed by STG or HSH Birmingham to the other, as the case may be, pending resolution of the Notice of Disagreement together with interest thereon, calculated as described below. Any payment required by STG to HSH Birmingham or by HSH Birmingham to STG, as the case may be, under this **Section 1.6(c)** shall be paid by wire transfer of immediately available federal funds to the account of the payee with a financial institution in the United States as designated by STG in the Proration Schedule or by HSH Birmingham in the Notice of Disagreement (or by separate notice in the event that HSH Birmingham does not send a Notice of Disagreement). If either HSH Birmingham or STG fails to pay when due any amount under this **Section 1.6(c)**, interest on such amount will accrue from the date payment was

due to the date such payment is made at a per annum rate of five percent (5%), and such interest shall be payable upon demand.

**1.7. Transfer Taxes.** HSH Birmingham shall pay all recordation, documentary, excise, transfer, sales or use or similar Taxes or fees, if any, imposed by any Governmental Authority on or relating to the transaction and transfers contemplated by this Agreement.

## **2. REPRESENTATIONS AND WARRANTIES OF STG**

STG represents and warrants to HSH Birmingham as follows:

**2.1. Organization and Standing.** STG is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. STG has all necessary corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereby.

**2.2. Binding Obligation.** STG's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by STG and constitutes its valid and binding obligation, enforceable against STG in accordance with its terms.

**2.3. Absence of Conflicting Agreements or Required Consents.** Except as set forth on Schedule 2.3, the execution, delivery and performance of this Agreement by STG: (a) does not and will not require the consent, approval, authorization or other action by, or filing with or notification to, any third party or Governmental Authority, other than as contemplated by **Section 4.1**; (b) does not and will not violate any provisions of STG's organizational documents; and (c) does not and will not violate any applicable Law.

**2.4. WJSU FCC Licenses.** STG makes no representations or warranties concerning the WJSU FCC Licenses. Pursuant to a condition of the FCC's approval of transfer of control application BTCCDT-20130809ACA involving WJSU, STG must surrender the WJSU FCC Licenses back to the FCC. The WJSU FCC License are validly held by STG and are in full force and effect, subject to obligation of STG to surrender certain FCC license relating to WJSU by September 29, 2014 ("*Surrender Date*").

**2.5. Title to and Condition of the WJSU Transmission Assets.** STG or its affiliate has good and transferable title to the WJSU Transmission Assets. The WJSU Transmission Assets are in good operating condition (reasonable wear and tear excepted). Except as set forth on Schedule 2.5, there are no Liens on the WJSU Transmission Assets other than Permitted Liens.

**2.6. Absence of Litigation.** Subject to sections 2.4 and 2.3, above, there is no claim, litigation, arbitration or proceeding pending or, to STG's knowledge, threatened, before or by any court, Governmental Authority or arbitrator that seeks to enjoin or prohibit, that questions the validity of, or that might materially hinder or impair STG's performance of its obligations under this Agreement.

**2.7. Compliance with Laws Generally.** Since the WJSU Closing Date, STG has complied in all material respects with, and is not in material violation of, any Laws applicable to the operation of WJSU. To STG's knowledge, STG has not received any notice asserting material noncompliance with any applicable Law in connection with the business or operation of WJSU.

**2.8. Environmental Matters.** To STG's knowledge, (a) the WJSU Transmission Assets are in material compliance with all applicable Laws governing hazardous or toxic substances, materials or waste, and (b) STG has obtained all environmental, health and safety permits necessary for the operation of WJSU, all such permits are in full force and effect, and STG is in material compliance with the terms and conditions of all such permits.

**2.9. Broker's Fees.** Neither STG nor any party acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

### **3. REPRESENTATIONS AND WARRANTIES OF HSH BIRMINGHAM**

HSH Birmingham represents and warrants to STG as follows:

**3.1. Organization and Standing.** HSH Birmingham is a limited liability company to be formed in Delaware, and before Closing shall be validly existing and in good standing under the laws of the State of Delaware. HSH Birmingham has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby.

**3.2. Authorization and Binding Obligation.** HSH Birmingham's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by HSH Birmingham and constitutes its valid and binding obligation, enforceable against HSH Birmingham in accordance with its terms.

**3.3. Absence of Conflicting Agreements or Required Consents.** The execution, delivery and performance of this Agreement by HSH Birmingham (a) does not and will not require the consent, approval, authorization or other action by, or filing with or notification to, any third party or Governmental Authority, other than as contemplated by **Section 4.1**; (b) does not and will not violate any provisions of HSH Birmingham's organizational documents; and (c) does not and will not violate any applicable Law.

**3.4. FCC Qualifications.** HSH Birmingham is qualified under the Communications Laws to be the assignee of the WJSU FCC Licenses. There are no facts known to HSH Birmingham that would prevent or unreasonably delay the consummation of the transactions contemplated by this Agreement. HSH Birmingham is not required to obtain any waiver of any FCC rule or regulation in order to obtain the FCC Consent (as defined below), nor will processing pursuant to any exception to a rule of general applicability be requested or required in connection with the consummation of the transactions contemplated by this Agreement.

**3.5. Absence of Litigation.** There is no claim, litigation, arbitration or proceeding pending or, to HSH Birmingham's knowledge, threatened before any court, Governmental Authority or arbitrator, that seeks to enjoin or prohibit, questions the validity of, or that might materially hinder or impair HSH Birmingham's performance of its obligations under this Agreement.

**3.6. Broker's Fees.** Neither HSH Birmingham nor any party acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

#### **4. COVENANTS**

**4.1. FCC Application.** Within three (3) business days of the date of this Agreement, STG and HSH Birmingham shall prepare and jointly file a complete and grantable application with the FCC requesting its consent to the assignment of the WJSU FCC Licenses to HSH Birmingham (the "*FCC Application*"). Subject to Schedule 4.1, STG and HSH Birmingham shall prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the FCC's grant of the FCC Application (the "*FCC Consent*") as expeditiously as possible, and by the Surrender Date. Subject to Schedule 4.1, without limiting the foregoing, STG and HSH Birmingham will fully cooperate in the taking of all necessary and proper steps, and provide any additional information reasonably requested, and use their respective commercially reasonable efforts to resolve objections that may be asserted by the FCC or any third party, in order to obtain the FCC Consent promptly. If reconsideration or judicial review is sought with respect to the FCC Consent, the party or parties affected shall diligently oppose such efforts for reconsideration or judicial review. HSH Birmingham and STG shall share all FCC Application filing fees equally. Each party shall otherwise bear its own costs and expenses (including the fees and disbursements of its counsel) in connection with the preparation of the portion of the FCC Application to be prepared by it and in connection with the processing and defense of the FCC Application.

**4.2. No Pre-Closing Control of WJSU.** Prior to the Closing, HSH Birmingham shall not, directly or indirectly, control, supervise or direct the operations of WJSU. Such operations shall be the sole responsibility of STG.

**4.3. Access to WJSU.** Between the date of this Agreement and the Closing Date, STG shall give HSH Birmingham and its engineers and other representatives reasonable access during normal business hours to the WJSU Assets, and shall furnish HSH Birmingham with all information related to the WJSU Assets that HSH Birmingham reasonably requests. HSH Birmingham's rights under this **Section 4.3** shall not be exercised in a manner that would disrupt or interfere unreasonably with the operation of WJSU.

**4.4. Confidentiality; Publicity.** Each party shall keep confidential all information obtained by it with respect to the other in connection with this Agreement, except if such information is known or available through other lawful, publicly available sources or if such party is advised by counsel that its disclosure is required in accordance with applicable Law, in which case the party required to make such disclosure shall use reasonable efforts to notify the other party prior to making such disclosure. Except with the prior written consent of the other party, which consent shall not be unreasonably withheld, neither party shall discuss this

Agreement or the transactions contemplated hereby with any member of the press or issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement. Following the filing of the FCC Application either party may publicly disclose or announce that the FCC Application has been filed, including a description of the transactions contemplated by this Agreement.

**4.5. No Solicitation.** From the date hereof through the Closing Date, neither STG nor any its officers, directors, representatives or agents shall participate in, encourage, solicit or initiate any discussion or negotiations, or enter into any agreement, concerning the sale of WJSU or the WJSU Assets.

**4.6. Cooperation.** Each party shall cooperate fully with one another, shall use reasonable efforts to cause the fulfillment at the earliest practicable date of all the conditions to the obligations of the other party to consummate the purchase and sale contemplated by this Agreement and shall not take any action that conflicts with its obligation hereunder or that causes its representation and warranties to be untrue in any material respect.

**4.7. Further Assurances.** STG and HSH Birmingham shall cooperate and take such actions, and execute such other documents, at the Closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

**4.8. Other Agreements.** At the Closing, STG and HSH Birmingham, at HSH Birmingham's option, shall enter into an agreement regarding HSH Birmingham's use of a portion of Seller's tower, facilities, equipment, and studio currently associated with WJSU in the form of the tower and studio license agreement attached hereto as Schedule 4.8 (the "*Tower and Studio License Agreement*"). STG, HSH and HSH Birmingham shall take other actions as set forth on Schedule 4.8.

## **5. CONDITIONS PRECEDENT**

**5.1. Conditions Precedent to STG's Obligation to Close.** The obligation of STG to consummate the sale of the WJSU Assets is, at its option, subject to satisfaction of each of the following conditions at or prior to the Closing:

(a) **Bring Down of Representations and Warranties.** All representations and warranties of HSH Birmingham contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if made on and as of that date, except to the extent such representations and warranties expressly relate to an earlier date or time, in which case they shall be true and correct only as of such earlier date or time.

(b) **Performance of Covenants.** All of the terms, covenants and conditions to be complied with and performed by HSH Birmingham under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) **FCC Consent.** The FCC Consent shall have been granted by the Surrender Date.

(d) **No Injunction.** No injunction, order, decree or judgment of any court, agency or other Governmental Authority shall be in effect that would prohibit or render unlawful the consummation of the transactions contemplated by this Agreement.

(e) **Deliveries.** HSH Birmingham shall have made or stand willing to make all the deliveries required under **Section 6.1**.

(f) **Other Conditions.** The other conditions set forth on Schedule 5.1(f) shall be satisfied.

**5.2. Conditions Precedent to HSH Birmingham's Obligation to Close.** The obligation of HSH Birmingham to consummate the purchase of the WJSU Assets is, at its option, subject to satisfaction of each of the following conditions at or prior to the Closing:

(a) **Bring Down of Representations and Warranties.** All representations and warranties of STG contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if made on and as of that date, except to the extent such representations and warranties expressly relate to an earlier date or time, in which case they shall be true and correct only as of such earlier date or time.

(b) **Performance of Covenants.** All of the terms, covenants and conditions to be complied with and performed by STG under this Agreement on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) **FCC Consent.** The FCC Consent shall have been granted.

(d) **No Injunction.** No injunction, order, decree or judgment of any court, agency or other Governmental Authority shall be in effect that would prohibit or render unlawful the consummation of the transactions contemplated by this Agreement.

(e) **Deliveries.** STG shall have made or stand willing to make all the deliveries required under **Section 6.2**.

## **6. DOCUMENTS TO BE DELIVERED AT THE CLOSING**

**6.1. Documents to be Delivered by HSH Birmingham.** At the Closing, HSH Birmingham shall deliver to STG the following:

(a) a certificate of an officer of HSH Birmingham, in a form and substance reasonably satisfactory to STG, dated as of the Closing Date, certifying to the fulfillment of the conditions set forth in **Sections 5.2(a)** and **(b)**;

(b) a certificate of good standing for HSH Birmingham;

(c) reserved;

(d) the Tower and Studio License Agreement, executed by HSH Birmingham;

and

(e) the Purchase Price in immediately available wire transferred funds as provided in **Section 1.4(b)**.

**6.2. Documents to be Delivered by STG.** At the Closing, STG shall deliver to HSH Birmingham the following:

- (a) a certificate of an officer of STG, in a form and substance reasonably satisfactory to HSH Birmingham, dated as of the Closing Date, certifying to the fulfillment of the conditions set forth in **Sections 5.1(a)** and **(b)**;
- (b) a certificate of good standing for STG;
- (c) an assignment of the WJSU FCC Licenses;
- (d) a bill of sale for WJSU Transmission Assets;
- (e) the Tower and Studio License Agreement, executed by STG; and
- (f) termination statements or other appropriate documents, if necessary, evidencing the release or termination of any Liens on any of the WJSU Assets other than Permitted Liens.

## **7. TERMINATION RIGHTS**

**7.1. Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by mutual written agreement of STG and HSH Birmingham;
- (b) by either party upon written notice to the other if there shall be in effect any Law, final judgment, final decree or Final Order that prevents or makes unlawful the Closing;
- (c) by either party upon written notice to the other if the FCC denies the FCC Application or designates it for a trial-type hearing;
- (d) by either party upon written notice to the other if the Closing has not occurred by the Surrender Date; and
- (e) by either party upon written notice to the other if the other party is in material breach or default of this Agreement, and such breach or default has not been waived by the party giving such termination notice.

**7.2. Effect of Termination.** If this Agreement is terminated as provided in **Section 7.1**, this Agreement will forthwith become null and void and neither party shall have any liability to the other except as provided in **Article 8** (Remedies Upon Default) and except also that the provisions of the parties described in **Section 4.4** (Confidentiality; Publicity) and **Article 10** (Other Provisions) will survive any such termination. .

## **8. REMEDIES UPON DEFAULT**

**8.1. Remedies for Parties.** If this Agreement is terminated or the Closing does not occur by reason of a party's material breach or default under this Agreement, then the non-breaching party shall be entitled to all remedies available at law or in equity, and reasonable attorney's fees incurred by the non-breaching party in enforcing its rights under this Agreement.

## **9. SURVIVAL**

**9.1. Survival.** The covenants, agreements, representations, and warranties in this Agreement shall survive the Closing for a period of six (6) months from the Closing Date, whereupon they shall expire and be of no further force or effect except to the extent that a specific claim for indemnification shall have been made prior to the end of the survival period, in which case the specific claim shall survive until resolved; provided, however, that the liability for any breach of any agreement covenant, representation or warranty under this Agreement shall be limited to the amount of the Purchase Price.

## **10. OTHER PROVISIONS**

**10.1. Costs and Expenses.** Except as specifically set forth in **Sections 1.7** and **4.1** each party shall bear its own costs and expenses incurred by it in connection with this Agreement.

**10.2. Benefit and Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign this Agreement without the prior written consent of the other party hereto. Any assignment pursuant to this **Section 10.2** will not relieve the assigning party from any of its obligations and liabilities under this Agreement.

**10.3. Entire Agreement.** This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. Any matter that is disclosed in a schedule hereto in such a way as to make its relevance to the information called for by another schedule readily apparent shall be deemed to have been included in such other schedule, notwithstanding the omission of an appropriate cross-reference. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought. No failure or delay on the part of STG or HSH Birmingham in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

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

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

**10.6. Governing Law; Venue; Waiver of Jury Trial; Rule of Construction; Attorney's Fees.** The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to its principles of conflict of law. In the event of any dispute involving this Agreement or any other instrument executed in connection herewith, STG AND HSH BIRMINGHAM EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY. STG and HSH Birmingham each acknowledges that counsel has represented it in the negotiation, execution, and delivery of this Agreement and has fully explained the meaning of the Agreement, including in particular the jury-trial waiver. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement. In the event of any dispute between the parties to this Agreement, STG or HSH Birmingham, as the case may be, shall reimburse the prevailing party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing party may have under this Agreement.

**10.7. No Third Party Beneficiaries.** No person who is not a party to this Agreement shall be deemed to be a beneficiary of any provision of this Agreement, and no such person shall have any claim, cause of action, right or remedy pursuant to this Agreement.

**10.8. Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to STG:

Mr. David Smith  
President  
Sinclair Television Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, Maryland 21030  
Telephone: (410) 568-1506  
Fax: (410) 568-1533

With a copy to:

Sinclair Television Group, Inc.  
10706 Beaver Dam Road  
Cockeysville, Maryland 21030  
Attention: General Counsel  
Telephone: (410) 568-1524

Fax: (410) 568-1537

If to HSH Birmingham:

Armstrong Williams  
HSH Birmingham (WCFT) Licensee, LLC  
201 Massachusetts Avenue, NE, Suite C-1  
Washington, DC 20002  
Telephone: (202) 546-5400  
Fax: (202) 546-1218

With a copy, which shall not constitute notice, to:

Colby M. May, Esq., P.C.  
205 Third Street, SE  
Washington, DC 20003  
Attention: Colby M. May, Esq.  
Telephone: (202) 544-5171  
Fax: 202-544-5172

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile and received prior to 5:00 p.m. in the place of receipt (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

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

**10.10. Counterparts; Faxed Signatures.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. This Agreement shall become binding when one or more counterparts, individually or taken together, bear the signatures of all parties. A facsimile copy or electronic copy of any signature page shall be deemed an original signature for all purposes.

## **11. DEFINITIONS**

**11.1. Defined Terms.** Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“*Agreement*” shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.

“*Assumed Obligations*” shall have the meaning set forth in **Section 1.5**.

“*Birmingham DMA*” shall have the meaning set forth in the Preamble to this Agreement.

“*Business Day*,” whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

“*Claim*” shall have the meaning set forth in **Section 7.3**.

“*Closing*” shall have the meaning set forth in **Section 1.1**.

“*Closing Date*” shall have the meaning set forth in **Section 1.1**.

“*Communications Laws*” shall have the meaning set forth in **Section 2.4**.

“*Effective Time*” s shall have the meaning set forth in **Section 1.1**.

“*FCC*” shall have the meaning set forth in the Preamble to this Agreement.

“*FCC Application*” shall have the meaning set for in **Section 4.1**.

“*FCC Consent*” shall have the meaning set for in **Section 4.1**.

“*Final Order*” means an action by the FCC (i) which has not been vacated, reversed, stayed, or suspended; (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending; and (iii) as to which the time for filing any such appeal, request, petition, or similar documents or for the reconsideration or review by the FCC on its own motion under the Communications Laws has expired.

“*Governmental Authority*” means any federal, state or local or any foreign government, legislature, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“*HSH Birmingham*” shall have the meaning set forth in the Preamble to this Agreement.

“*HSH Birmingham’s Proration Amount*” shall have the meaning set forth in **Section 1.6(b)**.

“*Law*” means any United States (federal, state, local) or foreign statute, law, ordinance, regulation, rule, code, order, judgment, injunction or decree.

“*Liens*” shall have the meaning set forth in **Section 1.2**.

“*Notice of Disagreement*” shall have the meaning set forth in **Section 1.6(b)**.

“*Permitted Liens*” means, as to any WJSU Asset, (a) Liens for Taxes, assessments and other governmental charges not yet due and payable; (b) Liens that do not in any material way detract from the value of the property subject thereto or in any material way interfere with or impair the present and continued use thereof in the usual and normal conduct of the business of WJSU; (c) zoning laws and ordinances and similar Laws that are not violated by any existing improvement or that do not prohibit the use of the real property under the Tower and Studio License Agreement as currently used in the operation of the WJSU; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the permits); (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor, (ii) any statutory Lien for amounts that are not yet due and payable or are being contested in good faith and (iii) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property; (f) inchoate materialmen’s, mechanics’, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business; and (g) Liens that will be discharged prior to the Closing.

“*Preliminary Proration Schedule*” shall have the meaning set forth in **Section 1.6(b)**.

“*Proration Schedule*” shall have the meaning set forth in **Section 1.6(b)**.

“*Purchase Price*” shall have the meaning set forth in **Section 1.4**.

“*Referee*” shall have the meaning set forth in **Section 1.6(b)**.

“*STG*” shall have the meaning set forth in the Preamble to this Agreement.

“*Tax*” or “*Taxes*” means all federal, state, local or foreign excise, sales, use, franchise, property, transfer, intangible or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any Tax authority with respect thereto.

“*Surrender Date*” shall have the meaning set forth in **Section 2.4**.

“*Tower and Studio License Agreement*” shall have the meaning set forth in **Section 4.8**.

“*WJSU*” shall have the meaning set forth in the Preamble to this Agreement.

“*WJSU Assets*” shall have the meaning set forth in **Section 1.2**.

“*WJSU FCC Licenses*” shall have the meaning set forth in **Section 1.2(a)**.

“*WJSU Transmission Assets*” shall have the meaning set forth in **Section 1.2(b)**.

**Section 11.2. Terms Generally.** The term “*or*” is disjunctive; the term “*and*” is conjunctive. The term “*shall*” is mandatory; the term “*may*” is permissive. Masculine terms apply to females; feminine terms apply to males. The term “*include,*” “*includes*” or “*including*” is by way of example and not limitation.

[Signatures following this page.]

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

**SINCLAIR TELEVISION GROUP, INC.**

By:   
\_\_\_\_\_  
Robert Malandra  
Authorized Person

**HSH BIRMINGHAM (WCFT) LICENSEE,  
LLC**

By: \_\_\_\_\_  
Armstrong Williams  
Manager

**HOWARD STIRK HOLDINGS, LLC**

By: \_\_\_\_\_  
Armstrong Williams  
Owner

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

**SINCLAIR TELEVISION GROUP, INC.**

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

**HSH BIRMINGHAM (WCFT) LICENSEE, LLC**

By:   
\_\_\_\_\_  
Armstrong Williams  
Manager

**HOWARD STIRK HOLDINGS, LLC**

By:   
\_\_\_\_\_  
Armstrong Williams  
Owner

## **DISCLOSURE SCHEDULE**

This Disclosure Schedule (“Disclosure Schedule”) is being delivered pursuant to that certain Asset Purchase Agreement made the 28th day of September, 2014, by and between Sinclair Television Group, Inc., a Maryland corporation (“STG”), and HSH Birmingham (WCFT) Licensee, LLC, a Delaware limited liability company (“HSH Birmingham”), wholly owned by Howard Stirk Holdings, LLC, a Delaware limited liability company (“HSH”).

Capitalized terms used and not otherwise defined herein shall have their respective meanings as set forth in the Agreement. The section numbers in this Disclosure Schedule correspond to the section numbers in the Agreement; however, any information disclosed herein under any section number shall automatically be deemed to be disclosed and incorporated into any other section number under the Agreement where such disclosure would be relevant or appropriate, regardless of whether or not specific cross-references are used. To the extent cross-references are set forth in the disclosure, such cross-references are intended solely for convenience and are by no means intended as a statement of limitation as to where disclosure is relevant or appropriate.

Disclosure of any information herein is not a statement or admission that such information is material, is required to be disclosed herein, reaches any applicable materiality thresholds or is likely to materially and adversely affect the ability of Sellers to perform their obligations under the Agreement or to consummate the transactions contemplated thereby. No disclosure in this Disclosure Schedule relating to any agreement or document shall be construed as an admission or indication that such agreement or document is enforceable or currently in effect or that there are any obligations remaining to be performed or any rights that may be exercised under such agreement or document, except to the extent that an express representation is made to that effect in the Agreement. Likewise, no disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law, rule or regulation shall be construed as an indication or admission that any such breach or violation actually exists or has occurred.

This Disclosure Schedule may contain items that are not required by the Agreement to be listed herein. Such additional items are set forth for informational purposes only. This Disclosure Schedule and the information and disclosures contained in this Disclosure Schedule are intended only to qualify and limit the representations, warranties and covenants of Sellers contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants.

The headings contained in this Disclosure Schedule are included for convenience only and are not intended to limit the effect of the disclosures contained in this Disclosure Schedule or to expand the scope of the information required to be disclosed in this Disclosure Schedule.

Schedule 1.2(a)

FCC Licenses

Main Station WJSU (TV), Anniston, AL  
Facility ID No. 56642

<b>Type of Authorization</b>	<b>Call Sign</b>	<b>Type</b>
DTV License Renewal	WJSU-TV	MAIN-DTV

Schedule 1.2(b)

Transmission Assets

Digital antenna and transmission system

Schedule 2.3

Required Consent

None

Schedule 2.5

Liens on Assets

None.

Schedule 4.1

FCC

The parties acknowledge that STG and HSH will use their reasonable efforts to extend the Surrender Date to allow the transaction contemplated by the Agreement to occur (but in no way is such guaranteed).

## Schedule 4.8

### Other Actions

HSH and Sinclair shall enter into a Tower and Studio License Agreement in the form attached to this Agreement, for a reasonable market rate.

HSH and Sinclair shall use reasonable best efforts to ensure that the MVPDs in the Birmingham DMA shall agree in writing to carry the programming of WJSU as of date of this Agreement (that is being moved to a multicast channel of a station currently owned by Sinclair) on the same channel as it is currently carried as of the date of this Agreement. HSH shall not elect must carry for the WJSU. Notwithstanding Section 9.1 of this Agreement, this covenant shall survive closing in perpetuity and shall be binding on the successors and assigns of the parties.

HSH and HSH Birmingham hereby grants Sinclair the right to enter into agreements or amendments with the MVPDs serving the Birmingham DMA, with a term of up to 25 years, that such MVPD will not be required to carry the station that HSH Birmingham is acquiring pursuant to this Agreement, notwithstanding whether or not the licensee of such station elects must carry with respect thereto.

Schedule 5.1(f)

Other Closing Conditions

The MVPDs in the Birmingham DMA shall agree in writing to carry the programming of WJSU as of date of this Agreement (that is being moved to a multicast channel of a station currently owned by Sinclair) on the same channel as it is currently carried as of the date of this Agreement.