

**CALL OPTION AGREEMENT**

**BY AND AMONG**

**NPG OF CALIFORNIA, LLC**

**AND**

**COWLES CALIFORNIA MEDIA COMPANY**

**SEPTEMBER 20, 2013**

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## **CALL OPTION AGREEMENT**

This Call Option Agreement is entered into as of September 20, 2013 by and among **NPG of California, LLC**, a Missouri limited liability company ("Purchaser"), and **Cowles California Media Company**, a Washington corporation ("Seller").

Seller is the owner of certain assets used or useful in the operation of television station KCOY-TV, Santa Maria, California and any associated low power and auxiliary facilities (the "Station"), including all of the Station Assets (as defined below), pursuant to licenses issued by the Federal Communications Commission ("FCC").

Purchaser provides certain services to the Station pursuant to the Shared Services Agreement (as defined below).

Seller has agreed to grant Purchaser an option to acquire all of Seller's right, title and interest in, to and under the Station Assets in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### **ARTICLE I**

#### **GRANT OF OPTION; GENERAL TERMS OF SALE**

1.1 Call Option Grants. Upon the terms and subject to the conditions of this Agreement, including without limitation those conditions set forth in Section 1.5 of this Agreement, Seller hereby grants to Purchaser, and Purchaser hereby accepts, the irrevocable option (the "Call Option") to acquire from Seller, at any time after the Commencement Date and before the eighth (8<sup>th</sup>) anniversary of the Commencement Date (the "Expiration Date"), all of the right, title and interest of Seller in, to and under the Station Assets on the terms set forth herein; provided, however, that the Expiration Date shall be extended for a period of time equal to the period of time by which the term of the Shared Services Agreement is extended.

1.2 Assets Covered. Upon and subject to the terms and conditions stated in this Agreement, on the Closing Date, Seller shall convey, transfer, and deliver to Purchaser, and Purchaser shall acquire from Seller, all properties, assets, privileges, rights, interests and claims, real, personal or mixed, tangible and intangible, of every type and description (other than the Excluded Assets), that are owned or leased by Seller and used or held for use in connection with the Station as of the Closing Date. The rights, assets, property, and business of Seller with respect to the Station to be transferred to Purchaser pursuant to this Section 1.2 in connection with the exercise of the Option are referred to as the "Station Assets," and the purchase and sale of the Station Assets pursuant to this Agreement in connection with the exercise of the Option is referred to as the "Sale." Subject to Section 1.3, the Station Assets include, without limitation, Seller's rights in, to and under the following, in each case if and to the extent in existence and held by Seller immediately prior to the Closing, except to the extent that any of the following are included within the Excluded Assets:

- (a) the FCC Authorizations and the Station's call letters;
- (b) any books and records of Seller necessary to operate the Station in compliance with the FCC's rules and regulations, including, but not limited to, the Station's public file;

- (c) all leases of real property (the “Realty Contract”);
- (d) the Equipment;
- (e) all orders, agreements and other Contracts for the sale of advertising time (including Trade Agreements) on the Station (collectively, the “Time Sales Contracts”), to the extent unperformed as of the Closing Date;
- (f) all program licenses and other Contracts under which Seller is authorized to broadcast film product or programs on the Station (collectively, the “Program Contracts”);
- (g) all affiliation agreements and other Contracts relating to the Station to which Seller is a party with respect to the Station (other than any Contract described in Section 1.2(c), 1.2(e) or 1.2(f) hereof) (collectively, the “Other Assumed Contracts”);
- (h) all prepaid expenses and charges attributable to the period prior to the Closing in respect of the Station Assets and attributable to periods on or after the Closing, in each case, to the extent Purchaser receives an adjustment to the Exercise Price with respect thereto;
- (i) to the extent assignable, all of Seller’s rights, claims, credits, causes of action or rights of set-off against third parties relating to the Station Assets, including claims pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors and other third parties in connection with products or services purchased by or furnished to Seller affecting any of the Station Assets; and
- (j) all goodwill associated with the Station Assets.

1.3 Excluded Assets. There shall be excluded from the Station Assets and, to the extent in existence on the Closing Date, retained by Seller, the following assets (the “Excluded Assets”):

- (a) all cash, cash equivalents and securities of Seller;
- (b) all bank and other depository accounts of Seller;
- (c) all corporate, organizational or tax records and tax returns (other than those tax records and tax returns related to personal and real property taxes with respect to the Station Assets) and minute books of Seller;
- (d) all refunds of Taxes;
- (e) all contracts of insurance and all insurance plans and the assets thereof, together with all rights and claims thereunder relating to the Station, any refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Station, and any claims made under any such insurance policies;
- (f) the Accounts Receivable;
- (g) rights in or any assets associated with or allocated to any employee benefit plan(s) of Seller;
- (h) any Contract that is subject to Section 2.5, unless and until consent to the assignment of such Contract is obtained;

(i) all intercompany debts and other obligations due to Seller from any Affiliates of Seller; and

(j) all rights of Seller under any Transaction Document.

1.4 Option Purchase Price. In consideration of the grant of the Call Option, on the Commencement Date, Purchaser shall pay to Seller an amount equal to One Million One Hundred Fifty Thousand Dollars (\$1,150,000) (the “Option Purchase Price”). The Option Purchase Price shall be paid by Purchaser to Seller on the Commencement Date by wire transfer of immediately available funds to such bank account as Seller may designate.

1.5 Option Exercise. Each exercise of the Option will be permitted solely in accordance in all respects with the Communications Act and all applicable rules, regulations and policies of the FCC. In order to exercise the Call Option, Purchaser must deliver to Seller (prior to the Expiration Date) written notice (an “Exercise Notice”) of Purchaser’s intention to do so. Purchaser may withdraw any Exercise Notice prior to the Closing by written notice to that effect to Seller. No such withdrawal (and no withdrawal of any subsequent Exercise Notice) will affect Purchaser’s right subsequently to exercise the Call Option by delivering to Seller (prior to the Expiration Date) one or more other Exercise Notices, subject in all events to the condition that such Option exercise and ownership interests that result therefrom are in compliance and accordance in all respects with the Communications Act and all applicable rules, regulations and policies of the FCC. Upon its withdrawal of any Exercise Notice, Purchaser shall reimburse Seller for all reasonable out-of-pocket expenses (including reasonable attorneys’ fees) incurred by Seller in connection with its compliance with Section 5.2 with respect to such Exercise Notice.

1.6 Liabilities.

(a) Permitted Liens. At the Closing, the Station Assets shall be sold and conveyed to Purchaser (or its designee, as determined by Purchaser in its sole discretion) free and clear of all Liens, other than Permitted Liens.

(b) Assumption of Liabilities Generally. The “Assumed Liabilities” will be all liabilities and obligations of Seller relating to the operation of the Station or the ownership or operation of the Station Assets, in each case as of the Closing Date and to the extent related to the period after the Closing Date, including all liabilities and obligations related to such period pursuant to any Realty Contract, Time Sales Contract, Program Contract or Other Assumed Contract (collectively, the “Assumed Contracts”) in effect on the Closing Date, Purchaser’s obligations under Section 2.5 and such other liabilities for which Seller agrees to assume in writing or for which Seller receives an adjustment to the Exercise Price with respect thereto. On the Closing Date, Purchaser (or its designee, as determined by Purchaser in its sole discretion) will assume and agree to pay, satisfy, perform and discharge all Assumed Liabilities. From and after the Closing, Purchaser (or such designee) will discharge and reimburse and hold harmless Seller against, and Seller will not be responsible or otherwise liable for, any Assumed Liability.

## **ARTICLE II** **CLOSING**

2.1 Exercise Price. In consideration of the transfer and delivery of the Station Assets to Purchaser, Purchaser will pay to Seller an amount equal to One Million One Hundred Seventy-Five Thousand Dollars (\$1,175,000) (the “Exercise Price”); provided, however, that the Option Purchase Price shall be credited against the Exercise Price, resulting in a net payment

from Purchaser to Seller of Twenty-Five Thousand Dollars (\$25,000). The Exercise Price shall be paid by Purchaser to Seller at the Closing by wire transfer of immediately available funds to such bank account as Seller may designate.

2.2 Allocation of Exercise Price After Sale. The consideration for the Station Assets provided herein shall be allocated among the various categories of Station Assets in accordance with their respective fair market values. The parties hereto shall use their reasonable efforts prior to Closing to reach agreement on a reasonable allocation of consideration to such categories of Station Assets. If Purchaser and Seller reach such agreement, Purchaser and Seller (i) shall execute and file all Tax Returns in a manner consistent with the allocation determined pursuant to this Section 2.2 and (ii) shall not take any position before any Governmental Authority or in any judicial proceeding that is inconsistent with such allocation. Such agreement shall not be a condition to Closing. Seller and Purchaser shall each timely file a Form 8594 with the IRS in accordance with the requirements of Section 1060 of the Internal Revenue Code. In the event that the parties do not agree to a purchase price allocation prior to Closing then each party hereto shall file its own Form 8594.The Closing. Subject to Section 8.1, the closing of the Sale, the assumption of the Assumed Liabilities (the "Assumption"), and the consummation of all related transactions to be consummated contemporaneously therewith pursuant to this Agreement (collectively, the "Closing"), shall be held after the satisfaction or waiver in writing of each of the conditions set forth in Article VIII and at the time and location and on the date specified by Purchaser in writing to Seller delivered not less than fifteen business days prior to such date, or at such other place and/or at such other time and day as Seller and Purchaser may agree in writing.

2.4 Deliveries at Closing. All actions at the Closing shall be deemed to occur simultaneously, and no document or payment to be delivered or made at the Closing shall be deemed to be delivered or made until all such documents and payments are delivered or made to the reasonable satisfaction of Purchaser, Seller and their respective counsel.

(a) Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser such instruments of conveyance and other customary documentation as shall in form and substance be reasonably satisfactory to Purchaser and its counsel in order to effect the Sale, including, without limitation, the following:

(i) one or more bills of sale or other instruments (including assignments of FCC Authorizations, call letters, service marks, leases and other contracts) conveying the Station Assets;

(ii) any releases of Liens that are necessary in order to transfer the Station Assets in the manner contemplated by Section 1.5;

(iii) a certified copy of the resolutions or proceedings of Seller's board of directors and stockholders (or similar Persons) authorizing Seller's consummation of the Sale;

(iv) a certificate of Seller dated the Closing Date to the effect that the conditions set forth in Section 7.2 have been fulfilled;

(v) a receipt for the Exercise Price;

(vi) all Consents received by Seller through the Closing Date;

(vii) a certificate of Seller to the effect that, except as set forth in such certificate, each of the representations and warranties of Seller contained in this Agreement is true and accurate in all material respects (except to the extent changes are permitted or contemplated pursuant to this Agreement) as if made on and as of the Closing Date; and

(viii) such other documents as Purchaser may reasonably request.

(b) Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller the Exercise Price as provided in Section 2.1 and such instruments of assumption and other customary documentation as shall in form and substance be reasonably satisfactory to Seller and its counsel in order to effect the Sale and the Assumption, including, without limitation, the following:

(i) a certificate of Purchaser dated the Closing Date to the effect that the conditions set forth in Section 7.1 have been fulfilled;

(ii) a certified copy of the resolutions or proceedings of Purchaser authorizing the consummation of the Sale and the Assumption;

(iii) such other documents as Seller may reasonably request.

2.5 Assignment of Contracts. To the extent that transfer or assignment hereunder by Seller to Purchaser of any Contract is not permitted or is not permitted without the consent or approval of another Person, any such Contract shall not be assigned by Seller to Purchaser at Closing if such consent or approval is not given or obtained by the Closing or if such agreement at Closing otherwise would constitute a breach thereof or constitute a loss of benefits thereunder. If any third party consent or approval for the assignment or transfer of a Contract is not obtained before the Closing, Seller shall cooperate with Purchaser in any reasonable arrangement designed to provide for Purchaser after the Closing the benefits intended to be assigned to Purchaser under the applicable Contract, including enforcement at the cost and for the account of Purchaser of any and all rights of Seller against the other party thereto arising out of the breach thereof by such other party or otherwise; provided that Purchaser shall (a) undertake to pay or satisfy the corresponding liabilities for the enjoyment of such benefit to the extent that Purchaser would have been responsible therefor hereunder if such consent, waiver or approval had been obtained and (b) indemnify and hold harmless Seller and its Affiliates for any costs, expenses or liabilities (including legal fees and expenses) incurred by them in connection with the enforcement of such Contract at the request of Purchaser. Upon receipt of any such third party consent or approval after Closing, the applicable Contract shall be automatically assigned to, and assumed by, Purchaser on the terms hereof without further action by Purchaser or Seller.

## **ARTICLE III**

### **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Purchaser as follows:

3.1 Formation; Power. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Washington and in good standing under the laws of the State of Washington. Seller has the corporate power to enter into and consummate the transactions contemplated by this Agreement.

3.2 Corporate Action. All actions necessary to be taken by or on the part of Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions



contemplated hereby to be consummated and presently necessary to make the same effective have been duly and validly taken. This Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes a valid and binding agreement, enforceable against Seller in accordance with and subject to its terms.

3.3 No Defaults. On the Closing Date (after giving effect to all Consents which have been obtained), neither the execution and delivery by Seller of this Agreement, nor the consummation by Seller of the transactions contemplated by this Agreement to be consummated on or prior to the Closing Date, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any Legal Requirement to which Seller is subject, or of the articles of incorporation, by-laws, or similar organizational documents of Seller.

3.4 Brokers. There is no broker or finder or other Person who would have any valid claim against Seller for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Seller or an Affiliate of Seller.

3.5 Taxes. Seller has filed or caused to be filed all material Tax Returns that it was required to file with respect to the Station and the Station Assets. Seller has timely paid or caused to be paid when due, or will timely pay or cause to be paid, all material Taxes owed by Seller in respect of the Station and the Station Assets which are due and payable prior to the Closing Date pursuant to such Tax Returns.

3.6 Litigation. As of the date hereof, there are no actions, suits, proceedings, orders, judgments, decrees or investigations pending (or, to Seller's knowledge, threatened) against or affecting Seller at law or in equity, or before or by any Person or governmental equity, which would reasonably be expected to prevent the consummation of the Closing or to result in the Closing being declared unlawful or which could materially adversely affect the ability of Seller to perform its obligations under the Transaction Documents.

## **ARTICLE IV**

### **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser represents and warrants to Seller as follows:

4.1 Formation. Purchaser is a limited liability company duly organized or constituted, validly existing, and in good standing under the laws of the State of Missouri, and Purchaser has the limited liability company or other power to enter into and consummate the transactions contemplated by this Agreement.

4.2 Action. All actions necessary to be taken by or on the part of Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby to be consummated and presently necessary to make the same effective have been duly and validly taken. This Agreement has been duly and validly authorized, executed and delivered by Purchaser and constitutes a valid and binding agreement, enforceable against Purchaser in accordance with and subject to its terms.

4.3 No Defaults. On the Closing Date (after giving effect to all approvals and consents which will have been obtained), neither the execution and delivery by Purchaser of this Agreement, nor

the consummation by Purchaser of the transactions contemplated by this Agreement to be consummated on or prior to the Closing Date, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any Legal Requirement to which Purchaser is subject, or of Purchaser's certificate of incorporation or by-laws or similar organizational documents, if any, or of any material contract, agreement, or instrument to which Purchaser is a party or by which Purchaser is bound.

4.4 Brokers. There is no broker or finder or other Person who would have any valid claim against any Seller for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Purchaser or any Affiliate of Purchaser.

4.5 Litigation. As of the date hereof, there are no actions, suits, proceedings, orders, judgments, decrees or investigations pending (or, to Purchaser's knowledge, threatened) against or affecting Purchaser at law or in equity, or before or by any Person or governmental equity, which would reasonably be expected to prevent the consummation of the Closing or to result in the Closing being declared unlawful or which could materially adversely affect the ability of Seller to perform its obligations under the Transaction Documents.

## ARTICLE V

### COVENANTS OF SELLER

5.1 Covenants of Seller Generally. Seller covenants and agrees from the date of this Agreement until the Closing, except as Purchaser may otherwise consent, to act or refrain from acting as follows:

(a) FCC Authorizations and Other Matters. Seller will use commercially reasonable efforts in light of the assets retained by Seller and not sold to Purchaser pursuant to the Asset Purchase Agreement, to comply in all material respects with the Shared Services Agreement and all rules and regulations of the FCC pertaining to the operation of the Station and all other applicable laws, rules, ordinances and regulations pertaining to the operation of the Station, and Seller will promptly execute any necessary applications for renewal of FCC Authorizations necessary for the operation of the Station as presently conducted and will use reasonable efforts to cooperate with Purchaser in any other respect in which Purchaser may reasonably request in order to enhance, protect, preserve or maintain the Station Assets and/or the business and operation of the Station.

(b) Restrictions. Seller will not (to the extent the following restrictions are permitted by the FCC and all other applicable Legal Requirements):

(i) other than in the ordinary course of business, sell, lease (as lessor), transfer, or agree to sell, lease (as lessor), or transfer any material Station Assets (other than in the ordinary course of its business) without replacement thereof with functionally equivalent or superior assets;

(ii) apply to the FCC for any construction permit that would materially restrict the Station's present operations or make any material adverse change in the buildings or leasehold improvements owned by Seller; or

(iii) incur, or suffer or permit to exist, any Lien on any Station Asset(s), such that the Station Assets could not be conveyed as described in Section 1.5.

(c) Reports; Access to Facilities, Files, and Records. From time to time, at the request of Purchaser, Seller shall give or cause to be given to the officers, employees, accountants, counsel, and representatives of Purchaser:

(i) access, upon reasonable prior notice, during normal business hours, to all facilities, property, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records, equipment, machinery, fixtures, furniture, vehicles, accounts payable, and inventories of Seller related to the Station, with the exception of agreements, records, and documents related to the sale of advertising on KCOY-TV; and

(ii) all such other information in Seller's possession concerning the affairs of the Station as Purchaser may reasonably request,

provided that the foregoing does not disrupt or interfere with the business and operations of Seller or the Station or risk violation of any Legal Requirements.

(d) Notice of Proceedings. Seller will promptly notify Purchaser in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of the Sale, or upon receiving any notice from any governmental department, court, agency, or commission of its intention to institute an investigation into or institute a suit or proceeding to restrain or enjoin the consummation of the Sale, or to nullify or render ineffective this Agreement (or the Sale, if consummated).

(e) Notice of Certain Developments. Seller shall give written notice to Purchaser promptly after it becomes aware of the same, (i) if the Station Assets shall have suffered damage on account of fire, explosion, or other cause of any nature which is sufficient to prevent operation of the Station in any material respect for more than ten (10) consecutive days, or (ii) if the regular broadcast transmission of the Station in the normal and usual manner in which it heretofore has been operating is interrupted in a material manner for a period of more than ten (10) consecutive days.

(f) No Premature Assumption of Control. Nothing contained in this Section 5.1 shall give Purchaser any right to control the programming, operations, or any other matter relating to the Station prior to the Closing Date, and, subject to and in accordance with the Shared Services Agreement, Seller shall have complete control of the programming, operations, and all other matters relating to the Station up to the time of the Closing.

5.2 Covenants of Seller during the Exercise Period. Seller covenants and agrees that, after its receipt or delivery, as applicable, of each and every Exercise Notice and until either the Closing occurs or such Exercise Notice is withdrawn pursuant to Section 1.4:

(a) Application for Commission Consent. As promptly as practicable, Seller will complete Seller's portion of all necessary applications to the FCC requesting the Required FCC Consents, and upon receipt of Purchaser's portion of such applications, will file such applications with the FCC jointly with Purchaser. Seller will diligently take or cooperate in the taking of all reasonable steps that are necessary, proper, or desirable to expedite the preparation of such applications (including withdrawal and/or re-filing, or any amendment or supplement thereto, which Purchaser may request) and their prosecution to a final grant. Seller will promptly provide Purchaser with a copy of any pleading, order, or other document served on Seller relating to such applications.

(b) Consents. Seller will use reasonable commercial efforts (without being required to make any payment not specifically required by the terms of any licenses, leases, and other contracts or that is otherwise customary) to (i) obtain or cause to be obtained prior to the Closing Date all Consents or, in the absence of any Consent, one or more replacement agreements which would be effective on or prior to the Closing and would grant Purchaser (after the Closing) substantially the same benefits with respect to the Station as Seller enjoys with respect to the Station immediately prior to the Closing under the replaced Contract(s), and (ii) cause each Consent or replacement agreement to become effective as of the Closing Date (whether it is granted or entered into prior to or after the Closing).

(c) Consummation of Sale. Subject to the provisions of Article VIII and Section 8.1, Seller shall use reasonable best efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the conditions set forth in Article VII to be fulfilled and cause the Sale and the Assumption to be consummated.

## **ARTICLE VI**

### **COVENANTS OF PURCHASER**

6.1 Covenants of Purchaser Generally. Purchaser covenants and agrees that Purchaser will promptly notify Seller in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of the Sale or the Assumption, or upon receiving any notice from any governmental department, court, agency, or commission of its intention to institute an investigation into or institute a suit or proceeding to restrain or enjoin the consummation of the Sale or the Assumption, or to nullify or render ineffective this Agreement or the Sale or the Assumption if consummated.

6.2 Covenants of Purchaser during Exercise Period. Purchaser covenants and agrees that, after it gives or receives, as applicable, any Exercise Notice and unless and until such Exercise Notice is withdrawn pursuant to Section 1.4, Purchaser will use reasonable efforts (both prior to and after the Closing Date) jointly with Seller to obtain or cause to be obtained prior to the Closing Date all Consents and to execute such assumption instruments as may be required or requested in connection with obtaining any Consent (or, in the alternative, to enter into one or more replacement agreements that would be effective on or prior to the Closing and would grant Purchaser substantially the same benefits with respect to the Station as Seller enjoys with respect to the Station under the replaced Contract(s) immediately prior to the Closing).

## **ARTICLE VII**

### **CONDITIONS PRECEDENT TO SELLER'S AND PURCHASER'S OBLIGATIONS**

7.1 Conditions to Seller's Obligations. The obligation of Seller to consummate the Sale and the Assumption on the Closing Date is, at Seller's option, subject to the fulfillment of the following conditions at or prior to the time of the Closing:

(a) Representations, Warranties, Covenants. (i) Each of the representations and warranties of Purchaser contained in this Agreement shall be true and accurate in all material respects (except to the extent changes are permitted or contemplated pursuant to this Agreement) as if made on and as of the Closing Date; and (ii) Purchaser shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing (including the delivery of the Exercise Price).

(b) Proceedings. (i) No action or proceeding shall have been instituted and be pending before any court or governmental body to restrain or prohibit, or to obtain a material amount of damages in respect of, the consummation of the Sale or the Assumption that, in the reasonable opinion of Seller, may reasonably be expected to result in a preliminary or permanent injunction against such consummation or, if the Sale or the Assumption were consummated, an order to nullify or render ineffective this Agreement or the Sale or the Assumption or for the recovery against Seller of a material amount of damages; and (ii) none of the parties to this Agreement shall have received written notice from any governmental body of (A) such governmental body's intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the Sale or the Assumption, or to commence any investigation (other than a routine letter of inquiry, including, without limitation, a routine Civil Investigative Demand) into the consummation of the Sale or the Assumption, or (B) the actual commencement of such an investigation, in each case which remains pending or open.

(c) FCC Authorization. The FCC Approval Date shall have occurred with respect to all Required FCC Consents, and all Required FCC Consents shall be in full force and effect.

(d) Other Instruments. Purchaser shall have delivered, or shall stand ready to deliver, to Seller such instruments, documents, and certificates as are contemplated by Section 2.4(b).

7.2 Conditions to Purchaser's Obligations. The obligation of Purchaser to consummate the Sale and the Assumption on the Closing Date is, at Purchaser's option, subject to the fulfillment of the following conditions at or prior to the time of the Closing:

(a) Representations, Warranties, Covenants. (i) Each of the representations and warranties of Seller contained in this Agreement shall be true and accurate in all material respects (except to the extent changes are permitted or contemplated pursuant to this Agreement) as if made on and as of the Closing Date; and (ii) Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing.

(b) Proceedings. (i) No action or proceeding shall have been instituted and be pending before any court or governmental body to restrain or prohibit, or to obtain a material amount of damages in respect of, the consummation of the Sale or the Assumption that, in the reasonable opinion of Purchaser, may reasonably be expected to result in a preliminary or permanent injunction against such consummation or, if the Sale or the Assumption were consummated, an order to nullify or render ineffective this Agreement or the Sale or the Assumption or for the recovery against Purchaser of a material amount of damages; and (ii) none of the parties to this Agreement shall have received written notice from any governmental body of (A) such governmental body's intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the Sale or the Assumption, or to commence any investigation (other than a routine letter of inquiry, including, without limitation, a routine Civil Investigative Demand) into the consummation of the Sale or the Assumption, or (B) the actual commencement of such an investigation, in each case which remains pending or open.

(c) FCC Authorization. The FCC Approval Date shall have occurred with respect to all Required FCC Consents, and all Required FCC Consents shall be in full force and effect.

(d) Other Instruments. Seller shall have delivered, or shall stand ready to deliver, to Purchaser such instruments, documents, and certificates as are contemplated by Section 2.4(a).

## ARTICLE VIII

### TERMINATION; MISCELLANEOUS

8.1 Optional Termination of Agreement Prior to the Closing Date. This Agreement may be terminated at any time on or prior to the Closing as follows:

(a) By Seller. By Seller, by written notice to Purchaser at any time after the Expiration Date, if (i) the Closing has not occurred on or prior to the date upon which such notice is given, and (ii) there is no condition to closing set forth in Article VII that has not been satisfied solely as result of a breach by Seller of its obligations under this Agreement.

(b) By Purchaser. By Purchaser, by written notice to Seller at any time after the Expiration Date, if (i) the Closing has not occurred on or prior to the date upon which such notice is given, and (ii) there is no condition to closing set forth in Article VII that has not been satisfied solely as a result of a breach by Purchaser of its obligations under this Agreement.

(c) By Either Party. By either Party, on the Expiration Date, unless renewed for an additional ten-year period pursuant to the mutual written consent of Seller and Purchaser.

None of Purchaser nor Seller shall have any liability to any of the other of them for costs, expenses, damages (consequential or otherwise), loss of anticipated profits, or otherwise as a result of a termination pursuant to this Section 8.1. This Article VIII will survive the termination of this Agreement pursuant to this Section 8.1.

8.2 Remedies. In the event of a breach of Seller's obligations under this Agreement, Purchaser, in addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, will be entitled to specific performance of Seller's obligations under this Agreement. The parties hereto agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of any such obligations of Seller. Purchaser and Seller have jointly determined that there will be no attempt to comply with the notice provisions of any bulk sales law which may apply to the purchase and sale of the Station Assets pursuant to this Agreement.

8.3 Expenses. Except as otherwise expressly provided in this Agreement, Seller and Purchaser shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including, without limitation, accounting and legal fees incurred in connection herewith; provided, that, (a) Purchaser will reimburse Seller for all reasonable out-of-pocket expenses in accordance with Section 1.5 hereof, and (b) Purchaser will pay all filing fees associated with any filing contemplated by Section 5.2(a).

8.4 Assignments; Exercise in Part. This Agreement shall not be assigned by Seller without the prior written consent of Purchaser; provided, that, whether or not any requisite consent of Purchaser has been obtained, this Agreement will be binding upon all respective successors of Seller, whether by operation of law or otherwise. Any attempt by Seller to assign this Agreement without first obtaining the consent of Purchaser shall be void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may be assigned in whole or in part by Purchaser without the prior written consent of Seller to any Person legally capable of exercising the Option and consummating the sale of the Station Assets without waiver of any Legal Requirements (provided, that, no such assignment shall relieve Purchaser of any of its obligations or liabilities hereunder), and Purchaser will inform Seller of any such assignment. Any assignee of

Purchaser will be deemed to be "Purchaser" for purposes of this Agreement as to the rights assigned to such assignee.

8.5 Further Assurances. From time to time prior to, at, and after the Closing Date, each party hereto will promptly execute all such instruments and promptly take all such actions as another party hereto, being advised by counsel, shall reasonably request in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other applications and instruments, in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby, including any transaction with such modifications as may be reasonably consistent with the transactions contemplated hereby.

8.6 Notices. All notices, demands, and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be delivered personally or sent by nationally recognized overnight delivery service, charges prepaid, or by registered or certified mail, return-receipt requested, and shall be deemed to have been given or made when personally delivered, the next business day after delivery to such overnight delivery service, three (3) days after deposited in the mail, first class postage prepaid, as the case may be, addressed as follows:

(a) If to Purchaser:

825 Edmond Street  
St. Joseph, Missouri 64501  
Attention: David R. Bradley  
Telephone: 816-271-8500  
Telecopier: 816-271-8695

with copies (which will not constitute  
notice to Purchaser) to:

Spencer Fane Britt & Browne LLP  
1000 Walnut Street, Suite 1400  
Kansas City, Missouri 64106  
Attention: Michael L. McCann, Esq.  
Telephone: 816-474-8100  
Telecopier: 816-474-3216

or to such other address and/or with such other copies as Purchaser may from time to time designate by notice to Seller given in accordance with this Section 8.6; and

(b) If to Seller:

Cowles California Media Company  
999 W. Riverside Ave.  
Spokane, Washington 99201  
Attention: Steven R. Rector  
Telephone: 509-459-5221  
Telecopier: 509-459-5258

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

Skadden, Arps, Slate Meahger & Flom LLP  
1440 New York Avenue, NW  
Washington, DC 20005  
Attention: David H. Pawlik  
Telephone: 202-371-7044  
Telecopier: 202-661-9022

or to such other address and/or with such other copies as Seller may from time to time designate by notice to Purchaser given in accordance with this Section 8.6.

8.7 Captions. The captions of the Articles and Sections of this Agreement are for convenience only, and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

8.8 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICT OF LAWS, EXCEPT TO THE EXTENT THAT THE FEDERAL LAW OF THE UNITED STATES GOVERNS THE TRANSACTIONS CONTEMPLATED HEREBY.

8.9 Waiver of Provisions. The terms, covenants, representations, warranties, and conditions of this Agreement may be waived only by a written instrument executed by the Person waiving compliance. The failure of any party hereto at any time or times to require performance of any provision of this Agreement shall in no manner affect such party's right at a later date to enforce the same provision or any other provision. No waiver by any party hereto of any condition or of the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver by such party of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

8.10 Counterparts. This Agreement may be executed in two or more counterparts, and all counterparts so executed shall constitute one agreement binding on all of the parties hereto, notwithstanding that all the parties hereto are not signatory to the same counterpart.

8.11 Entire Agreement/Amendments. This Agreement (including the Schedules hereto) constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, between them relating to the subject matter hereof. No amendment to any provision of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The parties intend that this Agreement be in full compliance with all published rules, policies and orders of the FCC. If the FCC instructs that the parties change any term of this Agreement, then the parties will attempt to do so, consistent with said FCC instruction and the overall intent of this Agreement.

8.12 Access to Books and Records.

(a) After the Closing, Seller will not destroy any books or records relating to the conduct of business of the Station prior to the Closing Date unless Seller first offers to transfer such



books and records to Purchaser, and if Seller is requested to do so, Seller shall transfer such books or records to Purchaser.

(b) At the request of any other party to this Agreement, Purchaser and Seller will permit each other (including such other party's officers, employees, accountants, and counsel) any access, upon reasonable prior written notice during normal business hours, to all of its property, accounts, books, contracts, records, accounts payable and receivable, records of employees, FCC logs and other information concerning the affairs or operation of the Station as such other party to this Agreement may reasonably request for any reasonable purpose, and to make extracts or copies from the foregoing at the requesting party's expense.

8.13 Public Announcements. Prior to the Closing, no party to this Agreement shall, except by mutual agreement with all other parties to this Agreement (including agreement as to content, text and method or distribution or release), make any press release or other public announcement or disclosure concerning the transactions contemplated by this Agreement, except as may be required by any Legal Requirement (including, without limitation, filings and reports required to be made with or pursuant to the rules of the Securities and Exchange Commission); provided, that, prior to making any such announcement or disclosure required by any Legal Requirement, to the extent practicable, the disclosing Person gives each other party to this Agreement prior written notice of the text and content of, the method of distribution or release of, and all other material facts concerning, such disclosure. After the Closing, Seller will not, except with Purchaser's prior written consent (including agreement as to content, text and method or distribution or release), make any press release or other public announcement or disclosure concerning the transactions contemplated by this Agreement, except as may be required by any Legal Requirement (including, without limitation, filings and reports required to be made with or pursuant to the rules of the Securities and Exchange Commission or the rules of any stock exchange); provided that, prior to making any such announcement or disclosure required by any Legal Requirement, to the extent practicable, Seller (as the case may be) gives Purchaser prior written notice of the text and content of, the method of distribution or release of, and all other material facts concerning, such disclosure.

8.14 Definitional Provisions.

(a) Terms Defined in Appendix. Each capitalized term which is used and not otherwise defined in this Agreement or any Schedule to this Agreement has the meaning which is specified for such term in the Appendix which is attached to this Agreement.

(b) Gender and Number. Words used in this Agreement, regardless of the gender and number specifically used, will be deemed and construed to include any other gender, masculine, feminine or neuter, and any other number, singular or plural, as the context requires.

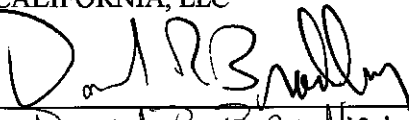
**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

NPG OF CALIFORNIA, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

  
David B. Bradley  
President

COWLES CALIFORNIA MEDIA COMPANY

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

NPG OF CALIFORNIA, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COWLES CALIFORNIA MEDIA COMPANY

By:                       
Name: STEVEN R PECTOR  
Title: CFO - TREASURER

## APPENDIX

The following capitalized terms have the following meaning when used in this Agreement and the Schedules attached to this Agreement:

“Accounts Receivable” means all accounts receivable, notes receivable and other monies due to Seller for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions related to the Station attributable to the period prior to the Closing.

“Affiliate” (and, with a correlative meaning, “Affiliated”) means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person, and, if such a Person is an individual, any member of the immediate family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, “control” (including, with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

“Asset Purchase Agreement” means that certain Asset Purchase Agreement by and between Station Licensee and Service Provider dated as of the date of this Agreement.

“Assumed Contracts” has the meaning set forth in Section 1.6(b).

“Assumed Liabilities” has the meaning set forth in Section 1.6(b).

“Assumption” has the meaning set forth in Section 2.2.

“Business Day” means any day other than a Saturday, Sunday or other day upon which banks in Santa Maria, California are not open for business.

“Purchaser” has the meaning set forth in the Recitals to this Agreement.

“Call Option” has the meaning set forth in Section 1.1.

“Cash Flow” means the gross revenues of Seller from operations of the Station minus the aggregate amount of all amounts paid or payable by Seller or on behalf of Seller in respect of the reasonable operating and business expenses of the Station, including, but not limited to, expenditures for: (i) programming, (ii) salaries and benefits for Seller’s officers and employees, (iii) utilities, insurance, rent, taxes, professional fees and FCC fees, (iv) equipment repairs, maintenance and replacements, (v) payments accrued or unpaid under the Management Services Agreement, (vi) principal and interest payments on Seller’s Indebtedness allocated to the Station, and (vii) amounts accrued during such period to Purchaser or its affiliates under the Shared Services Agreement, and any other amounts accrued during such period to Purchaser or its Affiliates from Seller or its Affiliates relating to the Station.

“Cash Purchase Price” has the meaning set forth in Section 2.1(b).

“Closing” has the meaning set forth in Section 2.2.

“Closing Date” means the date on which the Closing occurs.

“Commencement Date” the date of the closing of the transactions contemplated by the Asset Purchase Agreement.

“Communications Act” means the Communications Act of 1934, as in effect from time to time, and any successor statute thereto.

“Consent,” with respect to any Contract, means any consent or approval of any Person other than any party to this Agreement that is required pursuant to the terms of such Contract prior to or in connection with the consummation of the Sale or the Assumption.

“Contract” means any agreement, lease, arrangement, commitment, or understanding to which Seller, with respect to the Station, is a party.

“Equipment” means all machinery, equipment, computers, motor vehicles, furniture, fixtures, furnishings, Transmission Equipment, tools, parts and supplies, inventory, advertising and promotional materials, blank films, tapes, telecommunications equipment and all other items of tangible personal property (other than those included in the Excluded Assets) owned or leased by Seller and used or held for use by it in the operation of the Station (other than such items that are no longer in use as a result of obsolescence or having been replaced by other property).

“Excluded Assets” has the meaning set forth in Section 1.3.

“Exercise Notice” has the meaning set forth in Section 1.4(a).

“Exercise Price” has the meaning set forth in Section 2.1(a).

“Expiration Date” has the meaning set forth in Section 1.1.

“FCC” has the meaning set forth in the Recitals to this Agreement.

“FCC Approval Date” means the first day upon which all of the Required FCC Consents required for the consummation of the Sale and Assumption are effective.

“FCC Authorizations” all of the FCC licenses, permits and other authorizations issued to Seller with respect to the Station.

“Governmental Authority” means any government, any governmental entity, department, commission, board, agency or instrumentality, and any court, tribunal, or judicial body, in each case whether federal, state, county, provincial, local or foreign.

“Governmental Order” means any statute, rule, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.

“Indebtedness” means, without duplication, (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise (other than trade payables and other current liabilities incurred in the ordinary course of business which are not more than six months past due), (iv) any commitment by which a Person assures a creditor against loss (including, without limitation, contingent reimbursement obligations with respect to

letters of credit), (v) any indebtedness guaranteed in any manner by a Person (including, without limitation, guarantees in the form of an agreement to repurchase or reimburse), (vi) any obligations under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which obligations a Person assures a creditor against loss, (vii) any indebtedness secured by a Lien on a Person's assets and (viii) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA.

"Legal Requirements" means the Communications Act, the rules, regulations and published policies of the FCC, and all other federal, state and local laws, rules, regulations, ordinances, judgments, orders and decrees.

"Lien" means any mortgage, pledge, hypothecation, encumbrance, lien (statutory or otherwise), preference, priority or other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

"Option" means the Call Option.

"Option Purchase Price" has the meaning set forth in Section 1.4.

"Other Assumed Contracts" has the meaning set forth in Section 1.2(f).

"Permitted Lien" means, as to any Station Asset, (a) Liens for Taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith; (b) zoning laws and ordinances and similar Legal Requirements that are not materially violated by any existing improvement or that do not prohibit the use by Purchaser following the closing of the applicable Station Assets subject thereto as currently used in the operation of the Station; (c) minor defects of title, easements, rights-of-way, restrictions and other minor imperfections or irregularities in title that are reflected in the public records that do not individually or in the aggregate materially interfere with the right or ability to use the applicable Station Assets as presently utilized; and (d) Liens that will be released or discharged prior to or as of the Closing.

"Person" means any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association or government or department thereof.

"Proceeds" has the meaning set forth in Section 1.2(c).

"Program Contracts" has the meaning set forth in Section 1.2(e).

"Realty Contracts" has the meaning set forth in Section 1.2(c).

"Required FCC Consent" means any action or order by the FCC granting its consent to the consummation of a Sale pursuant to this Agreement without any condition which in the reasonable judgment of Purchaser or Seller is adverse to Purchaser or Seller, as the case may be, in any material respect.

"Sale" has the meaning set forth in Section 1.2.

"Seller" has the meaning set forth in the Recitals to this Agreement.

“Shared Services Agreement” means that certain Shared Services Agreement, dated as the date of this Agreement, between Seller and Purchaser.

“Station” has the meaning set forth in the Recitals to this Agreement.

“Station Assets” has the meaning set forth in Section 1.2.

“Tax” (and, with correlative meaning, “Taxes”, “Taxable” and “Taxing”) means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profits, environmental (including under Section 59A of the Tax Code), customs, duties, real property, real property gains, personal property, capital stock, social security, unemployment, disability, payroll, license, employment or other withholding, or other tax of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing.

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of Taxes of any Person or the administration of any legal requirement relating to any Taxes.

“Time Sales Contracts” has the meaning set forth in Section 1.2(d).

“Transaction Documents” means this Agreement, the Shared Services Agreement and all other documents executed and delivered in connection herewith, in each case as in effect from time to time.

“Transmission Equipment” means all analog, digital and other equipment owned by Seller and used or held for use in the operations of the Station, including the antenna, transmitter and all associated transmission equipment, lines and facilities.