

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of October 30, 2015 between Commonwealth Broadcasting Group, Inc., a Texas corporation (“Seller”), and Cala Broadcast Partners LLC, a Delaware limited liability company (“Buyer”).

### Recitals

A. Seller owns and operates the following television broadcast stations (the “Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

WABG-TV, Greenwood, MS (FCC ID 43203)  
WNBD-LD, Grenada, MS (FCC ID 181137)  
WFXW-LD, Cleveland, MS (FCC ID 181144)

B. Buyer or permitted assigns of Buyer and H3 Communications, LLC (“H3”), licensee of television broadcast station WXVT(DT), Greenville, MS (FCC ID 25236) (“WXVT”), have entered into that certain asset purchase agreement of even date herewith whereby H3 has agreed to sell to Buyer or permitted assigns of Buyer the assets that are used or held for use in the operation of WXVT (the “WXVT APA”)

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### Agreement

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

#### ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations, except the Excluded Assets (defined below) (the “Station Assets”), which include the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) all of Seller’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description

that are used or held for use in the operation of the Stations (the “Tangible Personal Property”), including without limitation those items listed on *Schedule 1.1(b)*;

(c) all of Seller’s real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the “Real Property”);

(d) all network affiliation agreements, retransmission consent agreements, agreements for the sale of advertising time on the Stations, and all other contracts, agreements and leases used in the Stations’ business and listed on *Schedule 1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the “Station Contracts”). Any contract not listed on *Schedule 1.1(d)* is an Excluded Asset;

(e) all of Seller’s rights in and to the Station’ call letters and Seller’s rights in and to the trademarks, trade names, service marks, copyrights, computer software, programs and programming material, jingles, slogans, logos, and other intangible property that is used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)* attached hereto (the “Intangible Property”);

(f) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations’ local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs; and

(h) all claims (including warranty claims) and Seller’s goodwill in, and the going concern value of, the Stations.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances (“Liens”) except for the obligations of Seller arising after Closing under the Station Contracts (collectively, the “Assumed Obligations”), and statutory liens for taxes not yet due and payable (collectively, “Permitted Encumbrances”).

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include Seller’s cash, cash equivalents, accounts receivable, deposits, and prepaid expenses existing as of the Adjustment Time (defined below) (the “A/R”), insurance policies, employee benefit plans, or any contract designated on *Schedule 1.1(d)* as not included in the Station Contracts (the “Excluded Assets”). The deposits and prepaid expenses that are included in the Excluded Assets are listed on *Schedule 1.2*.

1.3 Retained Liabilities. Except for the Assumed Obligations, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer,

including, without limitation, any liability or obligation of Seller under any contracts not included in the Station Contracts (the “Retained Liabilities”).

1.4 Purchase Price. The purchase price to be paid for the Station Assets shall be the sum of Eleven Million Seven Hundred Thousand Dollars (\$11,700,000), subject to adjustment pursuant to Sections 1.6, 5.4 and 5.8 (the “Purchase Price”). The Purchase Price, less the Indemnity Deposit (defined below), shall be paid at Closing in cash in immediately available funds pursuant to the written instructions of Seller to be delivered by Seller to Buyer at least three (3) business days prior to Closing.

1.5 Deposit. By November 13, 2015, Buyer will deposit the sum of five percent (5%) of the Purchase Price (the “Deposit”) with Kalil & Co., Inc. (the “Escrow Agent”) pursuant to an Escrow Agreement (the “Escrow Agreement”) among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price (and any interest accrued thereon shall be disbursed to Buyer). If this Agreement is terminated by Seller pursuant to Section 10.1(c), then the Deposit shall be disbursed to Seller as liquidated damages and the sole and exclusive remedy of Seller (and any interest accrued thereon shall be disbursed to Buyer). Seller hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Prorations.

(a) The operation of the Stations and the income and operating expenses attributable thereto until 11:59 p.m. on the date preceding the day of Closing (the “Adjustment Time”) shall be for the account of Seller and thereafter for the account of Buyer, and income and expenses shall be prorated between Seller and Buyer as of the Adjustment Time in accordance with generally accepted accounting principles, and the Purchase Price shall be adjusted accordingly. Such prorations shall include all property taxes, music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar deposits, prepaid and deferred items. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing shall be the responsibility of Buyer. Notwithstanding the foregoing, with respect to trade, barter or similar agreements for the sale of time for goods or services that are included in the Station Contracts, (i) if at Closing the Stations have a negative barter balance (*i.e.*, the amount by which the value of air time to be provided by such Stations after Closing exceeds the fair market value of corresponding goods and services to be received by the Stations after Closing) over Twenty-Five Thousand Dollars (\$25,000), then such balance (including the initial Twenty-Five Thousand Dollars (\$25,000)) shall be treated as prepaid time sales and adjusted for as a proration in Buyer’s favor; or (ii) if at Closing the Stations have a negative barter balance less than Twenty-Five Thousand Dollars (\$25,000) or a positive barter balance, then there shall be no proration or adjustment for such balance.

(b) Net settlement of the adjustments contemplated under this Section 1.6 shall be made at the Closing by increasing or decreasing the Purchase Price appropriately, if feasible based on Seller's and Buyer's good faith estimates. Seller shall prepare and submit to Buyer, not later than three (3) business days prior to the Closing Date, a written good faith estimate of the adjustments and prorations set forth in subsection (a) above (the "Adjustments") in accordance with this Section 1.6. After delivery of such estimates to Buyer, Buyer shall promptly inform Seller of any disputes Buyer has with such amounts, together with any reasonable backup documentation to support Buyer's calculations, and Buyer and Seller shall in good faith attempt to resolve any disputes between them. If as of Closing any items shall be in dispute between the parties, such items shall be excluded from the calculation of the Purchase Price for purposes of Closing and resolved in the final settlement of Adjustments as provided in Sections 1.6(c) and (d).

(c) Except as provided in Section 1.6(d), a final settlement of all Adjustments made under this Section and any corresponding modifications, with payment being made by the appropriate party by wire transfer of immediately available funds in U.S. dollars to an account designated by the party entitled to receive such payment, shall occur no later than sixty (60) days after the Closing Date. Buyer shall provide to Seller, and Seller shall provide to Buyer, any documentation reasonably requested by the other Party to determine the appropriateness of any Adjustment claimed by either Party.

(d) In the event that the parties cannot agree on the amount of the final Adjustments and the amount in good faith dispute exceeds Twenty Thousand Dollars (\$20,000), the determination shall be made by a mutually agreed national or regional accounting firm (the "Auditor"). The Auditor shall make the determination based on GAAP in effect on the Closing Date. Either party may invoke the use of the Auditor by notifying the other Party in writing, provided that neither party may invoke the use of the Auditor to determine the final Adjustments earlier than ninety (90) days after the Closing Date. In the event that either party invokes the use of the Auditor, there shall be a thirty (30) day period (the "Discovery Period") when the parties may request of and shall provide to each other in writing or computer format where appropriate any documentation or records in the possession of the other party that are related to a claim or defense to be made to the Auditor. Fifteen (15) Business Days after the expiration of the Discovery Period, the Parties shall have the opportunity to present their claims and supporting documentation to the Auditor. The Auditor shall be required to render a decision within fifteen (15) business days after each party shall have presented (or have foregone the opportunity to present) its claims and supporting documentation to the Auditor. The decision of the Auditor shall be final and binding on the Parties and shall not be subject to any judicial challenge by either Party. Within five (5) Business Days after the Auditor provides the determination to the parties, payment in accordance with that determination shall be made by the appropriate party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment. The expenses of the Auditor shall be paid equally by Buyer and Seller. If the amount in good faith dispute relating to the Adjustments is equal to or less than Twenty Thousand Dollars (\$20,000), then the dispute shall not be submitted to the Auditor, and such amount shall be divided equally between Buyer, on one hand, and Seller, on the other hand.

1.7 Allocation. The Purchase Price shall be allocated between the Station Assets in accordance *Schedule 1.7*. Seller and Buyer shall use such allocation for all purposes related to the valuation of the Station Assets, including, without limitation, in connection with any federal, state, county or local tax returns and, unless required to do so in accordance with a “determination” as defined in Section 1313(a)(1) of the Internal Revenue Code, neither Seller nor Buyer shall take any position in any tax return, tax proceeding, tax audit or otherwise that is inconsistent with such allocation.

1.8 Closing. The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the “Closing”) shall take place on the date ten (10) business days after the date that the FCC Consent either (at Buyer’s option) is initially granted or becomes Final (defined below), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing), provided, however, that the Closing shall not occur prior to January 1, 2016. The date on which the Closing is to occur is referred to herein as the “Closing Date.” For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

1.9 FCC Consent. No later than November 17, 2015, Buyer and Seller shall file an application (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the “FCC Consent”). Seller and Buyer shall diligently prosecute the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC.

1.10 Indemnity Deposit. At Closing, Buyer shall pay five percent (5%) of the Purchase Price to the Escrow Agent (the “Indemnity Deposit”) pursuant to a Post-Closing Escrow Agreement (the “Post-Closing Escrow Agreement”) among Buyer, Seller and the Escrow Agent, to secure the payment and performance of Seller’s post-closing obligations arising under this Agreement, including the indemnification obligations described in Article 9 of this Agreement. To the extent Buyer incurs any Damages (as defined in Section 9.2(a)), Buyer and Seller jointly shall direct the Escrow Agent in writing to disburse to Buyer that portion of the Indemnity Deposit which is necessary to satisfy the Damages incurred. Provided that Buyer does not have any claims for Damages outstanding as of such date, all funds remaining in the Indemnity Deposit (including all interest accrued thereon) shall be disbursed to Seller on the date that is One Hundred Eighty (180) days from the Closing, pursuant to written instructions of Buyer and Seller. The parties shall each instruct the Escrow Agent to disburse the Indemnity Deposit and all interest thereon to the party entitled thereto and shall not, by act or omission, delay or prevent any such disbursement.

1.11 FCC Spectrum Auction. In the event that Buyer relinquishes all spectrum usage rights for any of the FCC Licenses to the FCC (a “Relinquishment”) in the FCC’s Broadcast Television Spectrum Incentive Auction (the “FCC Auction”), Buyer shall pay to Seller (i) fifty percent (50%) of the first Ten Million Dollars (\$10,000,000) of the Net Proceeds (defined below) that Buyer receives from the FCC for the Relinquishment, and (ii) eighty percent (80%) of Net Proceeds above Ten Million Dollars (\$10,000,000) that Buyer receives from the FCC for the Relinquishment. Seller may allocate the proceeds, if any, it receives from Buyer and the proceeds, if any, H3 receives from Buyer, in its discretion and Buyer agrees to pay said proceeds accordingly. Net Proceeds means the cash received by Buyer for the Relinquishment, minus all costs, as reasonably determined by Buyer, incurred by Buyer related to the Relinquishment, including, but not limited to, costs associated with moving a Station to a new channel or new tower. Seller agrees to register one or more of the eligible Stations, as directed by Buyer, for the FCC Auction prior to the December 18, 2015 deadline. If requested by Buyer, Seller also agrees to enter into a Channel Share (defined below) with a third party if such Channel Share is proposed to Seller by Buyer before the December 18, 2015 deadline. Any such Channel Share entered into by Seller pursuant to this Section 1.11 shall be included as part of the Station Assets. “Channel Share” means an agreement between two or more FCC-authorized broadcast television licensees whereby one licensee agrees to share a portion of its FCC-authorized spectrum with the other licensee(s) resulting in all licensees party to such agreement broadcasting on a portion of one licensee’s FCC-authorized spectrum. Notwithstanding any agreement to the contrary contained herein, Buyer shall have the right between the date hereof and Closing to negotiate with other television stations with respect to possible Channel Share arrangements.

1.12 Schedules. Attached hereto are draft schedules. The parties agree to use their best efforts to prepare final, complete and correct schedules by November 17, 2015.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to own and operate the Stations, to carry on the Stations’ business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Seller (the “Seller Authorization”) and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Seller enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

2.4 FCC Licenses. Except as set forth on *Schedule 2.4*:

(a) Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the rules, regulations and policies of the FCC for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or threatened against Seller or the Stations by or before the FCC. Seller and the Stations are in compliance with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC. All regulatory fees required to be paid to, the FCC by Seller with respect to the Stations have been timely paid and all reports and filings required to have been filed by Seller with respect to the Stations which, if not filed, would delay the processing of the assignment application, have been filed. Seller maintains public files for the Stations as required by FCC rules.

(b) Seller has made valid elections of must carry or has valid retransmission consent agreements within each cable system located within the Stations’ DMA. All of such cable systems and all satellite systems carrying the Stations’ signal (whether analog or digital and whether inside or outside of the Stations’ DMA) are described on *Schedule 2.4(b)* together with the name of the operator and whether the Stations’ signal is carried pursuant to the must carry election or retransmission consent agreement. There has been no written notification to Seller or the Stations that any Station may not be entitled to carriage on any MVPD either because such Station fail to meet the requisite signal strength for such status or such Station would be considered distant signals under the cable compulsory copyright license.

(c) To Seller’s knowledge, there currently exists no interference to any Station’s signals from other broadcast stations, or by any Station’s signals to other broadcast stations, in each case beyond that permitted by the FCC’s rules and there are no applications pending at the FCC the grant of which would cause objectionable interference to any Station.

(d) The operation of the Stations are in compliance with the limits on exposure to RF radiation specified in the FCC’s rules and regulations.

2.5 Taxes. Set forth in *Schedule 2.5* is a list of all jurisdictions in which the Seller files tax returns and the type of returned filed in each such jurisdiction. There is no lien for taxes upon any of the Station Assets nor is any taxing authority in the process of imposing any lien for taxes on any such assets, other than liens for taxes that are not yet due and payable. Seller has

withheld all taxes required to be withheld under applicable law, and such withholdings have either been paid to the proper governmental agency or set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of Seller, as the case may be.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Seller has title to the Tangible Personal Property free and clear of all Liens other than Permitted Liens. Except as set forth on *Schedule 2.6*, each item of Tangible Personal Property is in good operating condition and repair, is free from material defect or damage, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards. On the Closing Date the Stations' facilities will be operating in material compliance with the terms and conditions of the FCC Licenses. If within ninety (90) days after the Closing Date, Buyer gives Seller written notice of any defects in the Stations' technical facilities which existed on the Closing Date and which constituted a material breach of Seller's representations set forth in the this section, Seller shall make such repairs and/or adjustments as may be necessary to bring the Stations' technical facilities into substantial compliance with such representations or, in the alternative, to make whatever repairs and/or adjustments or to replace any equipment at Seller's expense as may be necessary to correct such defects; provided, however, that Seller will be given reasonable opportunity, within thirty (30) days of the day of the mailing of written notice from Buyer to Seller, to effect such repairs, replacements or adjustments at Seller's expense.

2.7 Real Property. *Schedule 1.1(c)* contains a description of all real property used or held for use in the business or operation of the Stations. Seller owns fee simple title to the owned Real Property ("Ow ned Real Property") free and clear of Liens other than Permitted Encumbrances. *Schedule 1.1(c)* includes a description of any lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Stations (the "Real Property Leases"). Except as set forth on *Schedule 2.7*, the Owned Real Property includes, and the Real Property Leases provide, sufficient access to the Station's facilities without need to obtain any other access rights. Except as set forth on *Schedule 2.7*, no part of any Real Property is subject to any pending or threatened suit for condemnation or other taking by any public authority. Except as set forth on *Schedule 2.7*, all buildings and other improvements included in the Real Property are in good operating condition and repair, and free from material defect or damage, and comply with applicable zoning, health and safety laws and codes. Seller has delivered to Buyer copies of all title insurance policies in its possession that are applicable to the Real Property.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts used in the operation of the Stations. Except as set forth on *Schedule 2.8*, each of the Station Contracts (including without limitation each Real Property Lease) is in effect and is binding upon Seller and the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Except as set forth on *Schedule 2.8*, Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and no other party to any of the Station Contracts is in default thereunder in any material respect. Complete and correct copies of each Station Contract (including each Real Property Lease), together with all amendments thereto, have been delivered to Buyer by Seller.



2.9 Environmental. Except as set forth on *Schedule 2.9*:

No hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law (each a “Contaminant”) has been generated, stored, transported or released (each a “Release”) on, in, from or to the assets or properties of the Stations except de minimis amounts used in the ordinary course of business in compliance with applicable law. Neither the Stations nor any of the assets or properties of the Stations are subject to any order from or agreement with any governmental authority or private party regarding any Contaminant or Release. Neither the Stations nor any of the assets or properties of the Stations includes any underground storage tanks or surface impoundments, any asbestos containing material, or any polychlorinated biphenyls (“PCBs”) unless, in the case of equipment containing PCBs, such PCBs are properly contained and labeled. Seller has not received in respect of the Stations or any assets or properties of the Stations any notice or claim to the effect that it is or may be liable as a result of the Release of a Contaminant. Neither the Stations nor any of their assets or properties is the subject of any investigation by any governmental authority with respect to a Release of a Contaminant. Seller has obtained all material permits, licenses, registrations and other approvals and has filed all material reports and notifications required in connection with the Station Assets, and is in compliance in all respects with all applicable laws, rules and regulations. Seller has delivered to Buyer copies of all reports (including Phase I reports), notices, or other documentation relating to the Real Property, each as listed on *Schedule 2.9*.

2.10 Intangible Property. Except as set forth on *Schedule 2.10*:

Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property necessary to the conduct of the Stations as presently operated. *Schedule 1.1(e)* contains a description of all material Intangible Property. Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). The Stations have the exclusive right to use the Intangible Property. No Stations programming or other material used or broadcast by the Stations infringes upon any copyright, patent or trademark of any other party.

2.11 Employees. *Schedule 2.11* contains a list of all Stations employees and their position and rate of compensation, and a description of all of Seller’s employee benefit plans (the “Employment Schedule”). Except as set forth on *Schedule 2.11*, Seller has complied with all labor and employment laws, rules and regulations applicable to the Stations’ business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. Except as set forth on *Schedule 2.11*, there is no unfair labor practice charge or complaint against Seller in respect of the Stations’ business pending or threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations’ business. Except as set forth on *Schedule 2.11*, each employee benefit plan has been administered in material compliance with its own terms and in material compliance with all applicable law, regulations and rules.

2.12 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Stations. Seller has good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances.

2.13 Insurance. Seller maintains sufficient insurance policies with respect to the Stations and the Station Assets and will maintain such policies in full force and effect until Closing. Such insurance policies (i) provide replacement cost coverage of the Station Assets, subject to a deductible, (ii) are in full force and effect, and (iii) insure the Station Assets against all risks customarily insured against within the broadcasting industry. *Schedule 2.13* contains a true and complete list of all insurance policies in effect as of the date hereof that insure the Station Assets or affect or relate to the ownership, use or operation of any of the Station Assets and/or Stations, in addition to a list of all claims made under the policies in the past five years (except for employee health and medical claims).

2.14 Compliance with Law. Seller has complied with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Station Assets. There is no action, suit or proceeding pending or threatened against Seller in respect of the Stations or the Station Assets. There are no claims or investigations pending or threatened against Seller in respect of the Stations or the Station Assets.

2.15 Financial Statements. Seller has provided compiled profit and loss statements as of the last day of calendar years 2012, 2013, and 2013 and for the first six months of 2015, as requested by Buyer. Those profit and loss statements have been prepared in accordance with generally accepted accounting principals consistently applied with the following modifications: (i) retransmission income has been reported on the cash basis; (ii) costs paid for syndicated programming have been reported on the cash basis rather than being capitalized and amortized over the length of the contract; and, (iii) all required financial statements disclosures have been omitted. Other than accounts payable or other short term liabilities accrued in the ordinary course of business and other than those liabilities disclosed on *Schedule 2.15*, there are no liabilities associated with the business of the Stations.

2.16 No Finder. Except as disclosed on *Schedule 2.16*, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf. Payment of any broker engaged by Seller shall be Seller's sole cost and expense.

2.17 Transactions with Affiliates. Except as disclosed on *Schedule 2.17*, Seller has not been involved in any business arrangement or relationship relating to a Station with any Affiliate of Seller, and no Affiliate of Seller owns any property or right, tangible or intangible, which is used in the operation of a Station. "Affiliate" of a Person means any Person, which directly or indirectly controls, is controlled by or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of

the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. “Person” means any person or entity, whether an individual, trustee, corporation, general partnership, limited partnership, trust, unincorporated organization, business association, firm, joint venture or governmental authority.

2.18 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the “Buyer Authorization”) and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. Licensee Qualifications. Buyer is legally, financially, and otherwise qualified under the Communications Act of 1934, as amended, and the rules and regulations of the FCC to be the licensee of the Station.

3.4 No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent.

3.5 No Finder. Except as previously disclosed by Buyer to Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer’s behalf. Payment of any broker engaged by Buyer shall be Buyer’s sole cost and expense.

#### ARTICLE 4: SELLER COVENANTS

##### 4.1 Covenants. From the date hereof until Closing, Seller shall:

(a) operate the Stations in the ordinary course of business and keep its books and accounts, records and files in the ordinary course, preserve the business and goodwill of the Stations and the Station Assets, and collect the Stations' accounts receivable only in the ordinary course of business consistent with past practice;

(b) operate the Stations in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Licenses;

(c) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies, spare parts and other materials as have been customarily maintained in the past, and otherwise preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Station and the Station Assets;

(d) deliver to Buyer copies of monthly internal operating statements for the Stations by the 30th day after the end of each calendar month;

(e) at the request of Buyer, from time to time give Buyer access during normal business hours to all Stations' facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture and vehicles, and all other Station Assets, and provide Buyer all other information concerning the Stations as Buyer may reasonably request. Any investigation or examination by Buyer shall not in any way diminish any representations or warranties of Seller made in this Agreement;

(f) give Buyer prompt written notice of the occurrence of any of the following:

(i) a loss, taking, condemnation, damage, or destruction of or to any of the Station Assets involving in excess of \$5,000;

(ii) the commencement of any material proceeding or litigation at law or in equity or before the FCC or any governmental authority that involves the FCC Licenses, other than a proceeding of general applicability to the television broadcasting industry;

(iii) any material violation by Seller of any federal, state or local law, statute, ordinance, rule or regulation;

(iv) any notice of any breach, default, claimed breach, claimed default, or termination of any Station Contract;

(v) any other material adverse developments with respect to the business and operations of the Stations, including the loss of carriage or change in channel position on any MVPD or the cessation of broadcasting or material reduction by any Station of its authorized power for more than twenty-four (24) hours; or

(vi) the revocation, rescission, forfeiture, non-renewal, or material adverse modification of any FCC License; and

(g) not, without the prior written consent of Buyer:

(i) sell, lease, or otherwise dispose of any Station Assets except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) except as may be described in the Employment Schedule, grant any raises to employees of the Stations, pay any substantial bonuses or enter into any contract of employment with any employee or employees of the Stations;

(iii) amend or terminate any of the Station Contracts or enter into any contract, lease or agreement with respect to the Stations except for ordinary course cash time sales agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing; or

(iv) permit any representation or warranty set forth in Article 2 to become untrue or inaccurate in any material respect.

#### 4.2 Deliveries.

(a) At Closing, Seller shall deliver to Buyer customary written estoppel certificates (the “Estoppel Certificates”) duly executed by the lessors under the Real Property Leases, in form and substance reasonably satisfactory to Buyer; and

(b) At Closing, Seller shall deliver to Buyer all UCC, judgment, fixture, and state and federal tax lien search reports (showing searches in the name of Seller and the call letters of the Stations) necessary to confirm that no Liens are filed or recorded against the Station Assets in the public records of any applicable jurisdiction (the “Lien Search Reports”).

(c) Seller shall deliver to Buyer, at Seller’s expense, within sixty (60) days of the date of this Agreement, title commitments for owner’s and lender’s title insurance policies on the Owned Real Property and all Real Property that is leased pursuant to a Real Property Lease sufficient in form to allow Buyer to obtain, at Buyer’s sole cost and expense, a standard form of owner’s and lender’s title insurance policies on the Owned Real Property and lessee’s and lender’s title insurance policies for all Real Property that is leased pursuant to a Real Property Lease (collectively the “Title Commitments”). The Title Commitments will evidence a commitment to issue an ALTA title insurance policy insuring good, marketable and indefeasible fee simple (or leasehold, if applicable) title to each parcel of the Real Property contemplated

above for such amount as Buyer directs. Seller shall reasonably cooperate with Buyer in obtaining such Title Commitments.

#### ARTICLE 5: JOINT COVENANTS

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and the parties shall cooperate to make a mutually agreeable announcement.

5.3 Control. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 Risk of Loss.

The risk of any loss, damage, impairment, confiscation or condemnation of any of the Station Assets shall be borne by Seller at all times prior to Closing and shall be borne by Buyer at and after Closing.

(a) In the event that any such loss or damage occurring prior to Closing shall be sufficiently substantial so that any representation or warranty of Seller shall not to be true and correct in all material respects at Closing (after giving consideration to any repairs, restoration or replacement to occur prior to Closing), Seller shall promptly notify Buyer in writing of the circumstances. Following such notice: (i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business prior to the Closing; (ii) Seller's representations and warranties and Buyer's pre-Closing termination rights and post-Closing indemnification rights are hereby modified to take into account such condition to the extent remedied (if any) in all material respects in accordance with this provision; and (iii) if such repair or replacement cannot be completed or is not completed prior to Closing then, as Buyer's sole remedy, at Buyer's election, (A) the parties shall proceed to Closing and Buyer may elect (1) to be paid all insurance proceeds payable in respect to the loss or damage, or (2) to require Seller to repair or replace such item in all material respects after Closing (and Buyer shall provide Seller access and other reasonable assistance requested by Seller with respect to such obligation), or (3) to reduce the Purchase Price by a reasonable estimate of the cost to repair or replace such item (in the event that the final cost to replace or repair such item after the Closing exceeds such reduction, then Seller shall indemnify Buyer for such excess); or (B) if the cost to repair such loss or damage exceeds \$500,000, Buyer may terminate this Agreement. If Buyer elects to so terminate this Agreement, Buyer and Seller shall promptly instruct the Escrow Agent

to return the Deposit to Buyer, and Buyer and Seller shall stand fully released and discharged of any and all other obligations hereunder.

(b) If prior to Closing, a Station is off the air or operating at a power level that results in a material reduction in coverage (a “Broadcast Interruption”), then Seller shall use commercially reasonable efforts to return such Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may, if applicable, postpone Closing until the date five (5) business days after such Station returns to the air and prior coverage is restored in all material respects; provided, however, that if such Broadcast Interruption is in excess of 120 hours, Buyer may elect to terminate this Agreement. If Buyer elects to so terminate this Agreement, Buyer and Seller shall promptly instruct the Escrow Agent to return the Deposit to Buyer, and Buyer and Seller shall stand fully released and discharged of any and all other obligations hereunder.

5.5 Consents. Prior to Closing, Seller shall obtain the Required Consents (defined below) and shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(d)* hereto. To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed at Closing pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller’s rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller’s behalf; provided, however, that *Schedule 1.1(d)* identifies those consents the receipt of which is a condition precedent to Buyer’s obligation to close under this Agreement (the “Required Consents”).

5.6 Employees.

(a) Buyer may (but is not obligated to) offer post-Closing employment to any of the Station’s employees. With respect to each such employee who accepts Buyer’s offer of employment, Seller shall be responsible for all compensation and benefits arising prior to Closing (in accordance with Seller’s employment terms) and Buyer shall be responsible for all compensation and benefits arising after Closing (in accordance with Buyer’s employment terms). With respect to such employees, in connection with the prorrations under Section 1.6, an adjustment shall be made in favor of Buyer in an amount equal to the value of any accrued vacation time and any accrued sick leave.

(b) Buyer does not assume any of Seller’s employee obligations (including any severance obligations), all of which are Retained Liabilities and not Assumed Obligations. Notwithstanding anything in this Agreement to the contrary, if any of the employment agreements included in the Station Contracts includes any deferred compensation or profit sharing or transfer of control or similar provisions, then such obligations shall be Retained Liabilities and not Assumed Obligations.

(c) The terms of this Agreement are solely for the benefit of (and may be enforced only by) the parties hereto and their respective successors and permitted assigns.

Without limiting the foregoing, nothing in this Agreement gives any rights to any employee, and no employee may enforce any provision of this Agreement against any of the parties hereto.

5.7 Accounts Receivable. On the Closing Date, Seller shall provide Buyer with a listing of all of Seller's accounts receivable including Seller's estimate of retransmission revenue receivable as of that date (the "Accounts Receivable") and shall assign to Buyer the Accounts Receivable for purposes of collection only. Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect the Accounts Receivable for a period of one hundred eighty (180) days following the Closing Date (the "Collection Period"). This obligation, however, shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Accounts Receivable are in Buyer's possession, neither Seller nor its agents shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. All payments received by Buyer during the Collection Period from any person or entity obligated with respect to any of the Accounts Receivable shall be applied first to Seller's accounts and only after full satisfaction thereof to Buyer's account; provided, however, that if during the Collection Period any account debtor contests in writing the validity of its obligation with respect to any account receivable, then Buyer shall return that account receivable to Seller after which Seller shall be solely responsible for the collection thereof. Seller shall be responsible for the payment of all salesperson's, agency, and representative commissions due with respect to the Accounts Receivable. Within ten (10) days after the end of each calendar month during the Collection Period (or if such day is a weekend or holiday, on the next business day), Buyer shall furnish Seller with a list of the Accounts Receivable collected during the prior calendar month and Buyer shall remit the total amount collected during such month to Seller. Any of the Accounts Receivable that are not collected during the Collection Period shall be reassigned to Seller after which Buyer shall have no further obligation to Seller with respect to the Accounts Receivable; provided, however, that all funds subsequently received by Buyer (without time limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on any account receivable belonging to Seller shall be promptly paid to Seller. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Accounts Receivable without Seller's prior written consent, or to withhold any proceeds of the Accounts Receivable or to retain any uncollected Accounts Receivable after the expiration of the Collection Period for any reason whatsoever.

#### 5.8 Environmental.

(a) With respect to any Real Property, Buyer may at its expense conduct an assessment (each a "Phase I") prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any Phase I identifies a condition requiring remediation under, applicable environmental law, then:

(i) except as set forth below, Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business; and



(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and the Purchase Price shall be reduced by Buyer's reasonable estimate of the costs to complete the remediation (in the event that the final cost to remediate after the Closing exceeds such reduction, then Seller shall indemnify Buyer for such excess).

(c) Notwithstanding anything herein to the contrary, if at any time any such condition exists and the reasonably estimated cost to remedy all such conditions in the aggregate exceeds \$100,000, then Buyer or Seller shall have the right to terminate this Agreement upon written notice to the other party. If Buyer or Seller elects to so terminate this Agreement, Buyer and Seller shall promptly instruct the Escrow Agent to return the Deposit to Buyer, and Buyer and Seller shall stand fully released and discharged of any and all other obligations hereunder.

5.9 Non-Competition. Seller covenants and agrees, for itself and its Affiliates, for a period of five (5) years following the date of Closing, that neither Seller nor any Affiliate of Seller will, without prior written consent of Buyer, directly or indirectly, own, manage, operate, join, control, or engage or participate in the ownership, management, operation, or control of, or be connected as a shareholder, agent, partner, joint venture, or otherwise with, any television broadcast station other than Station WXVT which is located within the DMA of any of the Stations.

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of Closing from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Buyer Bringdown Certificate").

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

## ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions at or prior to the Closing:

7.1 Bringdown. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing, Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing from Seller (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the “Seller Bringdown Certificate”).

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Consent. The FCC Consent shall have been granted.

7.4 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

7.5 Required Consents. Seller shall have delivered the Required Consents to Buyer.

7.6 Material Adverse Change. No Material Adverse Change shall have occurred. As used herein, the term “Material Adverse Change” means any event, circumstance or condition that, individually or when aggregated with all other similar events, circumstances or conditions, would reasonably be expected to have a material adverse effect on the business, assets, property or condition (financial or otherwise) of the Stations taken as a whole or the ability of Seller to consummate the transactions contemplated by this Agreement, except for any such material adverse effect resulting from (i) general business or economic conditions applicable to the television broadcast industry, or (ii) general conditions in the market in which the Stations operate.

7.7 WXVT APA. The transactions contemplated by the WXVT APA have closed or are closing simultaneously with the Closing of this Agreement.

## ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Deliveries. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (a) a certified copy of the Seller Authorization;
- (b) the Seller Bringdown Certificate;
- (c) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
- (d) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;

- (e) General Warranty Deeds conveying the Owned Real Property to Buyer;
- (f) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) to Buyer;
- (j) a bill of sale conveying all Station Assets to Buyer;
- (k) the Post-Closing Escrow Agreement;
- (l) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Encumbrances; and
- (m) the Estoppel Certificates and Lien Search Reports.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Seller:

- (a) the Purchase Price in accordance with the terms of this Agreement;
- (b) a certified copy of the Buyer Authorization;
- (c) the Buyer Bringdown Certificate;
- (d) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;
- (e) the Post-Closing Escrow Agreement; and
- (f) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

ARTICLE 9: SURVIVAL AND INDEMNIFICATION

9.1 Survival. Except for the representations and warranties in Section 2.6 which shall expire ninety (90) days after the Closing, and the representations and warranties in Section 2.9 which shall survive until the expiration of the applicable statute of limitations, the representations and warranties in this Agreement shall survive Closing for a period of two (2) years from the date of Closing whereupon they shall expire and be of no further force or effect, except that if within such periods the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until resolved. The covenants and agreements in this Agreement shall survive Closing until performed.

9.2 Indemnification.

- (a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including

reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach or default by Seller under this Agreement;
- (ii) the Retained Liabilities; or
- (iii) the business or operation of the Stations prior to Closing (including any third party claim arising from such operations).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

- (i) any breach or default by Buyer under this Agreement;
- (ii) the Assumed Obligations; or
- (iii) the business or operation of the Stations after Closing (including any third party claim arising from such operations).

### 9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by a third party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost.

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a release of the indemnified party from all liability in respect of such Claim.

## ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. This Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller, if Seller:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application and such denial is Final;

(e) by written notice of Buyer to Seller, or by Seller to Buyer, if the Closing does not occur by the date one (1) year after the date of this Agreement; or

(f) by written notice of Buyer to Seller, or by Seller to Buyer, if the WXVT APA is terminated for any reason prior to closing under the WXVT APA.

The term “Cure Period” as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of fifteen (15) calendar days thereafter. If a notice of default is given less than (15) days prior to the Closing Date, the Closing Date shall be automatically extended to first business day following the last day of the “cure” period. Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit), 5.1 (Confidentiality), 5.2 (Announcements), and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer’s election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case

without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

#### ARTICLE 11:DISPUTE RESOLUTION AND ENFORCEMENT OF REMEDIES.

Except for the right of either party to enforce the provisions of or any determination made pursuant to this section, the parties agree to resolve any disputes arising out of or in connection with this Agreement as provided in this section.

11.1 Appointment of Dispute Panel. If any dispute is not resolved in the time permitted by this Agreement or, if no time is specified, within thirty (30) days of the date either party gives the other notice that it intends to invoke the provisions of this section, each party will name one arbitrator who shall be a person with one of the following qualifications (a) substantial experience in broadcast ownership or management, or (b) an attorney with experience in transactions involving the purchase and sale of television stations, and, within five (5) days of their appointment, the two arbitrators so selected shall select a third arbitrator with similar qualifications (the "Dispute Panel"). In the event one party names an arbitrator within the time period specified herein and the other party fails to do so, the Dispute Panel shall be comprised of the sole arbitrator who was timely named who shall have the full power and authority to resolve the dispute pursuant to the provisions of this Article 11.

11.2 Decision Process. Each party may submit such materials as it may elect to the Dispute Panel provided that a copy of such material is delivered to the other party. Neither party will contact any member of the Dispute Panel to discuss the dispute unless the other party is present in person or by conference telephone call or the other party consents. The Dispute Panel will request and review such information as its members deem necessary to resolve the dispute. The Dispute Panel and each party will treat all information received by it as confidential and will destroy such information when the dispute is resolved. The Dispute Panel will resolve the matters presented to it so as to give each party the benefit of its bargain by applying the provisions of this Agreement and, to the extent the Agreement is not dispositive, the customs and practices which, in the view of Dispute Panel, are common to transactions of this nature. The Dispute Panel will render its decision as soon as possible, but in any event, within sixty (60) days of the appointment of the third expert. The decision will be in writing and signed by each member of the dispute panel. The decision may include an award of damages as permitted by this agreement. Any third party may rely upon an original copy of the written decision or a copy of the decision certified by any member of the Dispute Panel as evidence of the decision.

11.3 Binding Effect. The decision of a majority of the members of the Dispute Panel will be binding and final with respect to both parties and may be enforced by seeking preliminary and permanent injunctive relief or entry of a judgment by a court of competent jurisdiction.

11.4 Venue. Unless the parties otherwise agree, the parties agree that the exclusive venue for any proceedings of the Disputes Panel shall be Los Angeles, California.

11.5 Costs and Fees. Each party will bear the costs and fees of the expert appointed by it plus half of the costs and expenses of the third expert. Each party shall be solely responsible for all other costs and expenses incurred by it in connection with any arbitration.

#### ARTICLE 12: MISCELLANEOUS.

12.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that all governmental fees and charges applicable to any requests for FCC Consent or applicable to the transfer of the Station Assets under this Agreement shall be shared equally by Buyer and Seller.

12.2 Further Assurances. After Closing, each party hereto shall execute all such instruments and take all such actions as any other party may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including without limitation the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

12.3 Assignment. Neither party may assign its rights and obligations hereunder without the written consent of the other party except that Buyer may assign its rights and obligations under this Agreement to any corporation or other legal entity under common control with or an affiliate of Buyer provided that such assignment would not materially delay grant of the FCC Consent or the FCC Consent becoming a Final Order and that no such assignment shall relieve Buyer of its duties, obligations, responsibilities, covenants and warranties contained herein. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

12.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller, then to:

Commonwealth Broadcasting Group, Inc.  
1150 Foothill Blvd., Suite D  
La Canada, CA 91011  
Attention: Charles M. Harker

with a copy (which shall not constitute notice) to:

David Tillotson  
4606 Charleston Terrace, NW  
Washington, DC 20007

if to Buyer, then to:

Cala Broadcast Partners LLC  
c/o Frontier Radio Management, Inc.  
4311 Wilshire Boulevard, Suite 408  
Los Angeles, CA 90010  
Attention: Jason R. Wolff

with a copy (which shall not constitute notice) to:

Edinger Associates PLLC  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
Attention: Scott Woodworth

12.5 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

12.6. Counsel. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provisions of this Agreement shall be interpreted or construed against the party whose counsel drafted the provision.

12.7. Waiver of Jury Trial. If, notwithstanding the provisions of Article 11, any law suit is filed to resolve an issue as to the interpretation or enforcement of this agreement and is not dismissed on the basis of Article 11, each party irrevocably waives trial by jury and the right thereto in any and all litigation in any court with respect to, in connection with, or arising out of this Agreement.

12.8. Indulgences. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of a party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by the another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by a party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

12.9. Section 1031 Exchange. To facilitate a like-kind exchange under Section 1031 of the Internal Revenue Code (the "Code"), Buyer acknowledges and agrees that Seller may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" under Section 1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Seller of its obligations under this Agreement) and any such qualified intermediary may re-assign to Seller. If Seller gives notice of such assignment, Buyer shall pay the Purchase Price (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and otherwise reasonably cooperate therewith. Notwithstanding any assignment of this Agreement by Seller to a qualified intermediary (a) all representations, warranties, covenants and agreements made in this Agreement by Seller for the benefit of Buyer shall remain for the benefit of, and shall be enforceable by, Buyer, and (b) Seller for the benefit of Buyer shall remain



liable to Buyer for all of Seller's obligations hereunder including, but not limited to, the representations, warranties, covenants and agreements made herein. Notwithstanding the foregoing, Buyer's obligation to cooperate with Seller in order to enable Seller to effectuate a like-kind exchange is specifically conditioned on each of the following:

(a) All of Buyer's rights and all of Seller's obligations to Buyer respecting all other provisions of this Agreement, including without limiting the generality of the foregoing, Seller's obligation to timely make Closing hereunder shall not be effected by any such like-kind exchange, whether or not such like-kind exchange is consummated by Seller;

(b) Buyer shall not be required to undertake contractual or other liabilities or obligations by reason of the like-kind exchange, other than the liabilities and obligations undertaken by Buyer under the terms of this Agreement without regard to this provision;

(c) Buyer shall not in any way be liable to Seller or any other party whatsoever for any failure of Seller's proposed transaction to qualify as a tax-free exchange of like-kind property under the Code; and

(d) Seller shall indemnify Buyer against any expense, loss, claim or liability (including Buyer's reasonable attorneys' fees) arising from or connected with the proposed like-kind exchange whether or not consummated.

12.10 Miscellaneous. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. The Schedules and Exhibits attached hereto or referred to herein are a material part of this Agreement, as if set forth in full herein. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their respective successors and permitted assigns. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date set forth above.

BUYER:

CALA BROADCAST PARTNERS LLC

By: 

Name: Jason R. Wolff

Title: Authorized Signatory

SELLER:

COMMONWEALTH BROADCASTING GROUP,  
INC.

By: 

Name: Charles M. Harker

Title: President