

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is dated as of September 30, 2015, by and among Landover 2 LLC (“**Seller**”), Gray Television Group, Inc. (“**Buyer**”), and Gray Television Licensee, LLC (“**License Sub**”).

### **RECITALS**

Seller holds construction permits (collectively, the “**FCC License**”) issued by the Federal Communications Commission (“**FCC**”) for the following new low power television stations (collectively, the “**Station**”):

K28MA-D, ARGUSVILLE, ND, FIN 185875, FCC File Number BNPDTL-20100504ANH  
K30LR-D, GRAND FORKS, ND, FIN 185872, FCC File Number BNPDTL-20100505ADD  
K30LT-D, HORACE, ND, FIN 185885, FCC File Number File Number BNPDTL-20100505ADK

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the FCC License and for the price and on the terms and conditions set forth in this Agreement. Buyer desires the FCC License to be conveyed from Seller to License Sub.

### **AGREEMENTS**

In consideration of the above recitals, the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller, intending to be legally bound, agree as follows:

#### **SECTION 1. PURCHASE AND SALE; PRICE AND ASSUMPTION**

1.1 **Agreement to Sell and Buy.** Subject to the terms and conditions set forth in this Agreement, upon the consummation of the purchase and sale (the “**Closing**”), Seller shall sell, transfer, assign and deliver to Buyer on the date of the Closing (the “**Closing Date**”), free and clear of all debts, liens and encumbrances of any nature, all of Seller’s right, title and interest in and to the FCC License.

1.2 **Consideration** In consideration of the sale and transfer of the FCC License, Buyer agrees to pay to Seller and Seller agrees to accept from Buyer the sum of One Hundred Thousand Dollars (\$100,000.00) (the “**Purchase Price**”), to be paid by Buyer at the Closing, by a wire transfer of funds to a bank account designated by Seller pursuant to instructions that Seller shall deliver to Buyer at least two (2) business days prior to the Closing Date. Concurrently with the execution and delivery of this Agreement and a recently executed IRS Form W9, Buyer has paid to Seller by federal wire transfer of immediately available funds the sum of Ten Thousand Dollars (\$10,000) as an advance toward the payment of the Purchase Price (the “**Advance**”). At the Closing, the entire amount of the Advance shall be credited against the Purchase Price.

1.3 **Assumption.** As of the Closing Date, Buyer shall assume and undertake to pay, discharge, and perform the obligations and liabilities of Seller under the FCC License insofar as they relate to the time on and after the Closing Date. Buyer shall not assume any other obligations or liabilities of Seller or the Station, and Seller shall remain liable for and pay and discharge such other obligations or liabilities.

1.4 **FCC License to be Conveyed to License Sub.** Notwithstanding any provision herein to the contrary, at the Closing the Seller shall convey the FCC License to License Sub, and License Sub shall perform all obligations under this Agreement with respect to the purchase of the FCC License. License Sub hereby makes for itself all of the representations and warranties made by Buyer herein, and agrees to be bound to perform all of the covenants made by Buyer herein to the extent that Buyer fails to perform them.

#### **SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer as follows:

2.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

2.2 No Conflicts. Subject to obtaining the FCC Consent, the execution, delivery and performance by Seller of this Agreement will not conflict with (i) any law, judgment, order, or ruling of any court or governmental authority applicable to Seller or (ii) the terms of any agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound. There is no claim, legal action or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or to the Seller's knowledge, threatened, against or relating to Seller or the Station.

2.3 FCC License. The FCC License has been validly issued and is in full force and effect, and the Seller is the authorized legal holder thereof. The FCC License is the only license, permit or authorization required by the FCC for the construction of the Station. Except for administrative proceedings that affect the television broadcasting industry in general, there is not pending or, to Seller's knowledge, threatened, any actions by or before the FCC to revoke, suspend, cancel, rescind or materially modify the FCC License. There is not issued, pending or outstanding or, to Seller's knowledge, threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability against the Station or Seller. Seller has not received any written communication from the FCC indicating that Seller or the Station is in violation of any regulation or policy of the FCC. The FCC License is not subject to any restriction or condition that would limit Buyer's ability to operate the Station, except for such restrictions or conditions that appear on the face of the FCC License. To Seller's knowledge, no application has been filed with the FCC that could reasonably be expected to cause the displacement or adverse modification of the Station. The Seller is in compliance in all material respects with the FCC License and all federal, state and local laws applicable to the ownership or operation of the Station.

2.4 Brokers. Seller has not engaged any agent, broker or other person acting pursuant to Seller's authority which is or may be entitled to a commission or broker or finder's fee in connection with the transaction contemplated by this Agreement or otherwise with respect to the sale of the assets to Buyer and License Sub.

### **SECTION 3. REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

3.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

3.2 No Conflicts. Subject to obtaining the FCC Consent, the execution, delivery and performance by Buyer of this Agreement will not conflict with (i) any law, judgment, order, or ruling of any court or governmental authority applicable to Buyer or (ii) the terms of any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound.

3.2 FCC Qualifications. Buyer is, and as of the Closing will be, legally, financially, and otherwise qualified under FCC rules, regulations and policies to acquire and to hold the FCC License.

3.3 Brokers. Buyer has not engaged any agent, broker or other person acting pursuant to Buyer's authority which is or may be entitled to a commission or broker or finder's fee in connection with the transaction contemplated by this Agreement or otherwise with respect to the sale of the Assets to Buyer and License Sub.

#### **SECTION 4. COVENANTS PRIOR TO CLOSING**

From the date hereof until the Closing:

4.1 Generally. Seller shall not cause or permit, by any act or failure to act, the FCC License to expire or to be revoked, suspended, or modified in any material manner or take any action that could cause the FCC to institute proceedings for the suspension, revocation, or modification of the FCC License. Seller shall not waive any right relating to the FCC License or Station.

4.2 Compliance with Laws. Seller shall comply in all material respects with all federal, state and local laws applicable to the ownership or operation of the FCC License or Station.

4.3 No Contracts. Seller shall not enter into any contract or commitment relating to the FCC License or the Station that will be binding on Buyer after Closing.

4.4 Risk of Loss. The risk of any loss, damage, impairment, confiscation, or condemnation of the FCC License from any cause shall be borne by Seller at all times prior to the Closing.

4.5 Access. Seller shall give Buyer and its authorized representatives access, during normal business hours and with reasonable prior notice, to Seller's books and records related to the FCC License.

4.6 Cooperation. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall take such further actions and execute such other documents as may be necessary and desirable to effectuate the implementation and consummation of this Agreement. Neither Seller nor Buyer shall take any action that is inconsistent with their respective obligations under this Agreement or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

4.7 Modification Application. Upon Buyer's written request, Seller shall promptly provide Buyer with written consent to Buyer's submission, at Buyer's sole cost, of application(s) to the FCC for modification of the license for the Station. Buyer shall request that any application filed pursuant to the previous sentence shall be contingent upon the FCC's grant of the Assignment Application.

#### **SECTION 5. FCC CONSENT**

5.1 Application. The assignment of the FCC License from Seller to Buyer shall be subject to the prior consent of the FCC (the "**FCC Consent**"). Seller and Buyer shall prepare and file an application for the FCC Consent (the "**Assignment Application**") within three (3) business days following execution of this Agreement by Buyer and Seller. The parties shall prosecute the Assignment Application with all reasonable diligence and otherwise use their reasonable efforts to obtain a grant of the Assignment Application as expeditiously as practicable. Buyer and Seller shall each pay one-half of the filing fee required for the Assignment Application. If the Closing does not occur within the effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 8, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either party of its rights under Section 8.

5.2 Conditions. Each party agrees to comply at its expense with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by such party of any of its representations, warranties, or covenants under this Agreement, and (ii) compliance with the condition would have a material adverse effect upon such party.

#### **SECTION 6. CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER AT CLOSING**

6.1 Conditions to Obligations of Buyer. Unless waived by Buyer in writing, all obligations of Buyer at the Closing are subject to the fulfillment by Seller prior to or on the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants and Conditions. Seller shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or on the Closing Date.

(c) Consents. The FCC Consent shall have been granted without the imposition on Buyer of any conditions that need not be complied with by Buyer under Section 5.2, and Seller shall have complied with any conditions imposed on it by the FCC Consent that need be complied with by Seller under Section 5.2.

(d) FCC License. There shall not have been any termination, suspension or adverse modification of the FCC License. Except for administrative proceedings that affect the television broadcasting industry in general, no proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely the FCC License.

(e) Material Adverse Change. There shall not have occurred a loss or impairment of the FCC License that has had or could reasonably be expected to have a material adverse effect on the business or operation of the Station.

(f) Deliveries. Seller shall stand ready to deliver to Buyer on the Closing Date duly executed assignment agreements pursuant to which Seller shall convey to Buyer the FCC License in accordance with the terms of this Agreement and such other certificates and similar documents requested by Buyer that are reasonably required to evidence and confirm Seller's performance of its obligations under, and the sale of the FCC License in accordance with, this Agreement.

(g) No Order. There shall be no order, decree or judgment of any court, arbitrator, agency or governmental authority that enjoins the sale of the FCC License to Buyer.

6.2 Conditions to Obligations of Seller. Unless waived in writing by Seller, all obligations of Seller at the Closing are subject to the fulfillment by Buyer prior to or on the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants and Conditions. Buyer shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or on the Closing Date.

(c) FCC Consent. The FCC Consent shall have been granted without the imposition on Seller of any material conditions that need not be complied with by Seller under Section 5.2 hereof, and Buyer shall have complied with any conditions imposed on it by the FCC Consent that need be complied with by Buyer under Section 5.2 hereof.

(d) Deliveries. Buyer shall stand ready to deliver to Seller on the Closing Date the Purchase Price, , and a duly executed assumption agreement pursuant to which Buyer shall assume the obligations described in Section 1.3 and such other certificates and similar documents requested by Seller that are reasonably required to evidence and confirm Buyer's performance of its obligations under this Agreement.

(e) No Order. There shall be no order, decree or judgment of any court, arbitrator, agency or governmental authority that enjoins the sale of the FCC License to Buyer.

## SECTION 7. CLOSING

Subject to the satisfaction or waiver of the conditions of Closing set forth in Sections 6.1 and 6.2, the Closing shall take place on a date set by Buyer on no less than two (2) business days' notice to Seller that is (i) not earlier than the third (3<sup>rd</sup>) business day after the FCC Consent is granted, and (ii) not later than the fifth (5<sup>th</sup>) business day after the FCC Consent is granted; provided, that if Buyer fails to provide such notice to Seller, the Closing shall take place on the fifth (5<sup>th</sup>) business day after the FCC Consent is granted. The Closing shall be held by the execution and delivery of the documents contemplated hereby by mail, facsimile or electronic transmission in PDF format.

## SECTION 8. TERMINATION

8.1 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the FCC License abandoned, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller that would prevent or make unlawful the Closing.

(b) Conditions. If, on the date that would otherwise be the Closing Date, Seller is not in material breach of any of its representations, warranties or covenants hereunder and any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied by Buyer or waived in writing by Seller.

(c) Breach. Without limiting Seller's rights under any other clause hereof, if Seller is not in material breach of any of its representations, warranties or covenants hereunder and Buyer has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within ten (10) days after Buyer has received written notice of such breach from Seller.

(d) Upset Date. If the Closing shall not have occurred by the first anniversary of the date of this Agreement (the "Upset Date").

8.2 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the FCC License abandoned, upon written notice to Seller, upon the occurrence of any of the following:

(a) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer, that would prevent or make unlawful the Closing.

(b) Conditions. If, on the date that would otherwise be the Closing Date, Buyer is not in material breach of any of its representations, warranties or covenants hereunder and any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied by Seller or waived in writing by Buyer.

(c) Breach. Without limiting Buyer's rights under any other clause hereof, if Buyer is not in material breach of any of its representations, warranties or covenants hereunder and Seller has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within ten (10) days after Seller has received written notice of such breach from Buyer.

(d) Upset Date. If the Closing shall not have occurred by the Upset Date.

8.3 Rights on Termination. If this Agreement is terminated (i) by Buyer in accordance with Section 8.2(c) or (ii) by either party because of the failure to satisfy the closing conditions in Section 6.1(c) or Section 6.2(c) by the Upset Date, Seller shall immediately return the Advance to Buyer. If this Agreement is terminated for any other reason, the Advance shall be retained by Seller. If this Agreement is terminated by Seller in accordance with Section 8.1(c), the Advance shall be retained by Seller as liquidated damages and the exclusive remedy for any and all damages suffered by Seller as a result of Buyer's material breach of this Agreement, regardless of the nature of such breach. Seller and Buyer agree that Seller's actual damages would be difficult to ascertain and that the amount

## SECTION 9. MISCELLANEOUS.

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9.6 Entire Agreement; Amendment. This Agreement, the schedules hereto and all documents and certificates to be delivered pursuant hereto collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. This Agreement may be modified only by an agreement in writing executed by the parties. No waiver of compliance with any provision of this Agreement shall be effective unless evidenced by an instrument evidenced in writing and signed by the party consenting to such waiver.

9.7 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or electronic transmission in PDF format) in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when each party hereto shall have delivered to it this Agreement duly executed by the other party hereto.

9.6 Governing Law. This Agreement shall be construed in a manner consistent with federal law and otherwise under and in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law.

9.8 Benefit and Binding Effect; Assignability. This Agreement shall inure to the benefit of and be binding upon Seller, Buyer and their respective heirs, successors, and permitted assigns. Neither Buyer nor Seller may assign this Agreement without the prior written consent of the other; provided, however, that, without the consent of Seller, Buyer may assign its rights under this Agreement, in whole or in part to any direct or indirect wholly-owned subsidiary of Buyer.

9.9 Press Releases. Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby.


9.10 Neutral Construction. This Agreement was negotiated fairly between the parties at arms' length and the terms hereof are the product of the parties' negotiations. Each party has retained legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. This Agreement shall be deemed to have been jointly and equally drafted by the parties, and the provisions of this Agreement shall not be construed against a party on the grounds that such party drafted or was more responsible for drafting such provisions.

9.11 No Real Property Interest. The assets to be sold and conveyed hereunder do not include any interest in any real property. Seller makes no warranty whatsoever as the availability of any antenna site or transmitter site for the Station.

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

BUYER:

Gray Television Group, Inc.

By:   
Name: Kevin P. Latek  
Title: Senior Vice President


SELLER:

Landover 2 LLC

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

LICENSE SUB<sup>1</sup>:

Gray Television Licensee, LLC

By:   
Name: Kevin P. Latek  
Title: Senior Vice President

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<sup>1</sup> License Sub joins the Agreement solely with respect to its rights and obligations pursuant to Section 1.4.



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

BUYER:

Gray Television Group, Inc.

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

Name: Kevin P. Latek  
Title: Senior Vice President

SELLER:

Landover 2 LLC

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

Name: Laurence S. Zimmerman  
Title: Managing Member

LICENSE SUB<sup>1</sup>:

Gray Television Licensee, LLC

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

Name: Kevin P. Latek  
Title: Senior Vice President

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<sup>1</sup> License Sub joins the Agreement solely with respect to its rights and obligations pursuant to Section 1.4.