

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "Agreement") is made as of March 10, 2016, between National Communications, L.L.C., a Louisiana limited liability company ("Seller"), and KVHP, LLC and KVHP License Subsidiary, LLC, both Delaware limited liability companies (collectively "Buyer").

### RECITALS

A. Seller owns and operates television broadcast station KVHP in Lake Charles, Louisiana (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC").

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

### 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 PURCHASE OF ASSETS

1.1 **Station Assets**. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Section 1.2, 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 the Station Assets, "as is, where is," free and clear of all liens, claims and encumbrances ("Liens") except Permitted Liens (defined below). "Station Assets" means the following:

(a) all transferable licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station (the "FCC Licenses"), including without limitation those described on Schedule 1.1(a), and all Seller Permits (defined below), including without limitation any renewals or modifications thereof between the date hereof and Closing;

(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 Station, including without limitation those listed on Schedule 1.1(b) (the "Tangible Personal Property");

(c) the leased real property listed on Schedule 1.1(c) (the "Leased Real Property");

(d) all of the following contracts, agreements, and leases used in the Station's business to the extent assignable (the "Station Contracts"); (i) all of the contracts, agreements,

and leases listed on Schedule 1.1(d), including, without limitation (A) all agreements for the sale of advertising time on the Station, (B) the real property leases listed on Schedule 1.1(c), (C) the Station's existing network affiliation agreement, (D) the retransmission agreements listed on Schedule 2.8(b), and (E) subject to Section 5.11(a), all Employment Agreements to which a Transferred Employee (as defined below) is a party, and (ii) all other contracts and agreements entered into by Seller and relating to the Station between the date of this Agreement and the Closing Date in compliance with Section 4.1;

(e) all prepaid expenses and deposits with respect to the Station held by third parties in the Seller's name and for which Seller receives a credit pursuant to Section 1.7;

(f) all call letters and Seller's rights in and to the trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property which are used in the operation of the Station, including without limitation those listed on Schedule 1.1(f) (the "Intangible Property"); and

(g) the files, documents, records, and books of account (or copies thereof) relating exclusively to the operation of the Station, including without limitation the Station's local public file, but excluding records relating to Excluded Assets (defined below).

1.2 **Excluded Assets.** Notwithstanding anything to the contrary contained herein, Buyer expressly acknowledges and agrees that the following assets and properties of Seller (the "Excluded Assets") shall not be acquired by Buyer and are excluded from the Station Assets:

(a) All bank accounts, cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments, other than as set forth in Section 1.1(e);

(b) the Station's accounts receivable and any other rights to payment of cash consideration (including without limitation all rights to payments under the Station's network affiliation agreement, whether or not offset) for goods or services sold or provided by the Station prior to the Effective Time, billed and unbilled (defined below);

(c) all tangible and intangible property of Seller retired or disposed of between the date hereof and Closing in accordance with Article 4;

(d) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(e) Seller's and its affiliates' corporate and trade names unrelated to the operation of the Station, charter documents, and books and records relating to the organization, existence or ownership of Seller, tax returns, litigation files, and all records not relating exclusively to the operation of the Station;

(f) rights, claims or causes of action of Seller against third parties that arise in connection with the discharge by Seller of the Retained Obligations or that relate to the Excluded Assets;

- (g) all rights arising under this Agreement and any contract other than any Station Contract;
- (h) all personnel records and other records that Seller is required by law to retain in its possession and all records relating to Retained Obligations or Excluded Assets;
- (i) all claims of Seller with respect to any Tax refunds to the extent attributable to a taxable period ending on or prior to the Closing Date;
- (j) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;
- (k) all Seller Plans (as defined below)
- (l) except for Transferred Employees, all Employment Agreements with any Station Employee (defined below);
- (m) any off the shelf computer software and programs used in the operation of the Station that are not transferable;
- (n) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time; and
- (o) the assets, contracts or agreements listed on Schedule 1.2(o).

1.3 **Intentionally Left Blank.**

1.4 **Assumption of Obligations.** On the Closing Date (defined below), Buyer shall assume (i) the obligations of Seller arising during, or attributable to, any period of time on or after the Effective Time under the Station Contracts (other than those Station Contracts that are not assigned to Buyer on or prior to the Effective Time) and the FCC Licenses (“Assumed Contracts”), (ii) all obligations arising during, or attributable to, any period of time on or after the Effective Time and relating to the Station Assets, (iii) any liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.7, (iv) the obligations and liabilities as of the Effective Time in respect to unused vacation and sick time benefits of all of Seller’s employees who are hired by Buyer as of the Closing Date, and (v) all storage, retrieval and other obligations arising after the Effective Time imposed by law with regard to the records transferred to Buyer (collectively, the “Assumed Obligations”). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (such liabilities and obligations not assumed, the “Retained Obligations”). The Retained Obligations include, without limitation, (A) all liabilities and obligations for Taxes (i) for all taxable periods of Seller, any of its respective subsidiaries and any of its respective affiliates, (ii) for all taxable periods (or portions thereof) ending on or prior to (or, to the extent attributable to the portion of such period ending on the Closing Date, including) the Closing Date, in the case of Taxes relating to the Station Assets, and (iii) under any Tax allocation,

sharing or similar agreement (whether oral or written) to which Seller is a party, (B) all liabilities and obligations arising under or with respect to the Seller Plans (defined below), and (C) all liabilities or obligations relating to the Excluded Assets.

1.5 **Purchase Consideration.**

(a) The Total Purchase Consideration Amount shall be the amount set forth on Schedule A attached hereto and by this reference made a part hereof.

(b) In consideration for the Station Assets and other promises and obligation set forth in this Agreement, Buyer shall deliver:

(i) at the Closing, to Seller, by wire transfer a cash payment equal to the Closing Consideration Amount, in accordance with wire transfer instructions set forth in Schedule 1.5;

(ii) on the First Holdback Payment Date (defined below), to Seller, by wire transfer in accordance with wire transfer instructions set forth in Schedule 1.5 (as such wire instructions may be updated by Seller by notice delivered to Buyer at least five (5) Business Days prior to such payment date), a cash payment in an amount equal to the First Holdback Payment Amount (defined below) (if such amount is greater than zero);

(iii) on the Second Holdback Payment Date (defined below), to Seller, by wire transfer in accordance with wire transfer instructions set forth on Schedule 1.5 (as such wire instructions may be updated by Seller by notice delivered to Buyer at least five (5) Business Days prior to such payment date), a cash payment in an amount equal to the Second Holdback Payment Amount (defined below) (if such amount is greater than zero).

“First Holdback Payment Amount” means the result of (a) ten percent (10%) of the Total Purchase Consideration Amount, *minus* (b) any amounts applied by Buyer to Seller’s indemnification obligations in accordance with this Agreement. “First Holdback Payment Date” means the date six (6) months following the Closing Date. “Holdback Amount” means twenty percent (20%) of the Total Purchase Consideration Amount. “Second Holdback Payment Amount” means the result of (a) the Holdback Amount, *minus* (b) the First Holdback Payment Amount, *minus* (c) any amounts applied by Buyer to Seller’s indemnification obligations in accordance with this Agreement. “Second Holdback Payment Date” means the date twelve (12) months following the Closing Date. Concurrently with the payment of the First Holdback Payment Amount and the Second Holdback Payment Amount, Buyer shall pay to Seller interest on such Holdback Payment Amount for the period from the Closing Date until the date paid at a rate equal to the prime rate (as reported by *The Wall Street Journal*, National Edition or, if not reported thereby, by another authoritative source) as in effect from time to time. All payments made under this Section 1.5(b) shall be paid by wire transfer in immediately available funds in accordance with the wire transfer instruction set forth in Schedule 1.5.

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1.7 **Prorations and Adjustments.**

(a) All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with accounting principles generally accepted in the United States ("GAAP") as of 12:01 a.m., local time, on the Closing Date (the "Effective Time"). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except Transfer Taxes as provided by Section 11.1), music and other license fees, employee performance incentives set forth in employment agreements or annual compensation plans, any vacation for Transferred Employees (defined below) to the extent Buyer gives such Transferred Employees credit for the same, utility expenses, rent and other amounts under Assumed Contracts and similar prepaid and deferred items.

(b) Seller shall receive a credit for all of the deposits and prepaid expenses related to the Station Assets. Sales commissions related to the sale of advertisements broadcast on the Station prior to the Effective Time shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Station after the Effective Time shall be the responsibility of Buyer.

(c) All Taxes (defined below), other than Transfer Taxes (defined below), related to the Station Assets accrued or accruable with respect to events occurring on or prior to the Closing Date shall be borne by Seller. For this purpose, the Closing Date shall be treated as the last day of a taxable period, whether or not the taxable period in fact ends on such day. All Taxes related to the Station Assets accrued or accruable with respect to events occurring after the close of business on the Closing Date shall be borne by Buyer. Real and personal property Taxes, if any, with respect to the Station Assets shall be pro-rated on a per diem basis. Sales and use Taxes shall be deemed to accrue as property is purchased, sold, used, or transferred. All other Taxes shall accrue in accordance with GAAP.

(d) With respect to trade, barter or similar agreements for the sale of time in exchange for goods or services, other than film and program barter agreements ("Barter"), assumed by Buyer pursuant to Section 1.4, if at Closing the Station has an aggregate negative or positive Barter balance (i.e., the amount by which the value of air time to be provided by the Station after the Effective Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), in which event such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Seller, and adjusted for as a proration in Buyer's or Seller's favor, as applicable. In determining Barter balances, the value of air time shall be based upon the value of Seller's rates as of the Effective Time, and the corresponding goods and services shall include those to be received by the Station after Closing plus those received by the Station before Closing to the extent conveyed to Buyer as a part of the Station Assets.

(e) No later than five (5) business days prior to the scheduled Closing Date, Seller shall provide Buyer with a statement setting forth a reasonably detailed computation of Seller's reasonable and good faith estimate of the Adjustment Amount (defined below) as of Closing (the "Preliminary Adjustment Report"). As used herein, the "Adjustment Amount" means the net amount by which the Total Purchase Consideration Amount is to be increased or

decreased in accordance with this Section 1.7. If the Adjustment Amount reflected on the Preliminary Adjustment Report is a credit to Buyer, then the Closing Consideration Amount shall be an amount equal to the Closing Consideration Amount reduced by the amount of the preliminary Adjustment Amount, and if the Adjustment Amount reflected on the Preliminary Adjustment Report is a charge to Buyer, then the Closing Consideration Amount shall be an amount equal to the Closing Consideration Amount increased by the amount of such preliminary Adjustment Amount. For a period of ninety (90) days after Closing, Seller and its auditors and Buyer and its auditors may review the Preliminary Adjustment Report and the related books and records of Seller with respect to the Station, and Buyer and Seller will in good faith seek to reach agreement on the final Adjustment Amount. If agreement is reached within such 90-day period, then promptly thereafter Seller shall pay to Buyer or Buyer shall pay to the Seller, as the case may be, an amount equal to the difference between (i) the agreed Adjustment Amount and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report. If agreement is not reached within such 90-day period, then the dispute resolutions of Section 1.7(g) shall apply.

(f) If the parties do not reach an agreement on the Adjustment Amount within the 90-day period specified in Section 1.7(e), then Seller and Buyer shall select an independent accounting firm of recognized national standing as the parties hereto may agree (the "Arbitrating Firm") to resolve the disputed items. Buyer and Seller shall each inform the Arbitrating Firm in writing as to their respective positions with respect to the Adjustment Amount, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm's computation of the Adjustment Amount. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and, upon completion, to inform the parties in writing of its own determination of the Adjustment Amount, the basis for its determination and whether its determination is within the Mid-Range (defined below) or if not, whether it is closer to Buyer's or Seller's written determination of the Adjustment Amount. Any determination by the Arbitrating Firm in accordance with this Section 1.7(f) shall be final and binding on the parties. Within five (5) calendar days after the Arbitrating Firm delivers to the parties its written determination of the Adjustment Amount, Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, an amount equal to the difference between (i) the Adjustment Amount as determined by the Arbitrating Firm and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report.

(g) If the Arbitrating Firm's determination of the Adjustment Amount is within the Mid-Range, then Seller and Buyer shall each pay one-half of the fees and disbursements of the Arbitrating Firm in connection with its analysis. If not, then (i) if the Arbitrating Firm determines that the written position of Buyer concerning the Adjustment Amount is closer to its own determination, then Seller shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis, or (ii) if the Arbitrating Firm determines that the written position of Seller concerning the Adjustment Amount is closer to its own determination, then Buyer shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis. As used herein, the term "Mid-Range" means a range that (i) equals twenty percent (20%) of the absolute difference between the written positions of Buyer and Seller as to the Adjustment Amount and (ii) has a midpoint equal to the average of such written positions of Buyer and Seller.

(h) Concurrently with the payment of any amount required to be paid under Section 1.7(e) or 1.7(f), the payor shall pay the payee interest on such amount for the period from the Closing Date until the date paid at a rate equal to the prime rate (as reported by *The Wall Street Journal*, National Edition or, if not reported thereby, by another authoritative source) as in effect from time to time. All payments to be made under Section 1.7(e) and 1.7(f) shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States and shall for all purposes constitute an adjustment to the Purchase Price.

(i) For a period of ninety (90) days following the Closing Date, Buyer shall promptly remit to Seller any amounts received by it on an Account Receivable for broadcasts prior to the Closing Date, and Seller shall promptly remit to Buyer any amounts received by it on an Account Receivable for broadcasts on and after the Closing Date. Any amounts thus received by Buyer or Seller shall be applied to the oldest Account Receivable of the Account Debtor unless the Account Debtor shall specify otherwise.

1.8 **Allocation.** After Closing, Buyer and Seller will allocate the Purchase Price and the value of the Assumed Obligations in accordance with the respective fair market value of Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (the "Code"), based upon an appraisal by Bond & Pecaro (whose fees shall be paid one-half by Seller and one-half by Buyer). Buyer and Seller shall file their federal tax returns and other tax returns reflecting the allocation made pursuant to this Section.

1.9 **Closing.** The consummation of the sale and purchase of the Station Assets and assumption of Assumed Contracts provided for in this Agreement (the "Closing") shall take place by exchange of documents via facsimile or email, or as Seller and Buyer may otherwise agree, on the fifth business day after the date on which the FCC's approval of the FCC Application (the "FCC Consent") becomes a Final Order (defined below). "Final Order" means an FCC order (a) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (b) with respect to which no appeal, request for stay, or petition for rehearing, reconsideration or review by any person or entity, or by the FCC on its own motion, is pending, and (c) as to which the time for filing any such appeal, request, petition, or similar pleading or the time for reconsideration or review by the FCC on its own motion under the rules of the FCC has expired (or if any such appeal, request, petition or similar pleading has been filed, the FCC's order has been upheld and no additional review or reconsideration has been sought and the time for seeking such review or reconsideration has expired). Buyer and Seller may mutually agree on a different date for the Closing, subject to the satisfaction or waiver of the conditions set forth in Articles 6 and 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.10 **Governmental Consents.**

(a) Within ten (10) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC requesting FCC Consent to the assignment of the FCC Licenses to Buyer (the "FCC Application"). Buyer and Seller shall diligently prosecute the

FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) Buyer and Seller shall notify each other of all documents filed with or received from the FCC with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

1.11 **Bulk-Sales Laws.** Buyer hereby waives compliance by Seller with the requirements and provisions of any "bulk-transfer" laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Station Assets to Buyer; provided, however, Seller agrees (i) to pay and discharge when due or to contest or litigate all claims of creditors which are asserted against Buyer or the Station Assets by reason of such noncompliance, (ii) to indemnify, defend and hold harmless Buyer from and against any and all such claims in the manner provided in Article 9 and (iii) to take promptly all necessary action to remove any Lien which is placed on the Station Assets by reason of such noncompliance.

## ARTICLE 2 SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer. As used in this Agreement, "to the knowledge of Seller" means to the actual knowledge of Lester Langley, Jr., Syd Dyer, Jr., Lester Langley, Jr., Paige Premeaux, and Charles Kirkland II.

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 execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by it pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 **Authorization.** The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its 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.** Except as set forth on Schedule 2.3 and except for the FCC Consent, the Required Consents and any other third party consents as may be required to assign the Station Contracts, the execution, delivery and performance by Seller of this Agreement and

the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby or thereby do not (i) conflict with any organizational documents of Seller, (ii) conflict with, result in a breach of, or give rise to a right of termination or acceleration or constitute a default under any Station Contracts, in each case, to the extent such conflict, breach, right of termination or acceleration, or default would reasonably be expected to have a Material Adverse Effect (as such term is defined in Section 2.16), (iii) conflict in any material respect with any law, judgment, order, or decree to which Seller is subject, or (iv) require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority, or require the consent of any third party pursuant to any contract, to the extent the lack of such consent or approval, or the failure to make such filing, would reasonably be expected to have a Material Adverse Effect.

2.4 **FCC Licenses.** Except as set forth on Schedule 1.1(a):

(a) Seller is the holder of the FCC Licenses described on Schedule 1.1(a). Seller has delivered true and complete copies of the FCC Licenses to Buyer. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.

(b) Except as set forth in Schedule 2.4(b), (i) there is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability); (ii) there is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Station or against Seller with respect to the Station that could result in any such action; and (iii) the Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and written and announced policies of the FCC.

(c) The towers and other structures used by Seller in the operation of the Station are obstruction marked and lighted to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration (the "FAA"), the FCC and other federal, state and local authorities and appropriate notifications to the FAA and registrations with the FCC have been filed for such towers and other structures where required.

(d) Schedule 2.4(d) contains a list of all material permits which are required for the operation of the business of the Station as presently conducted, other than the FCC Licenses ("Seller Permits"). Seller currently has all Seller Permits. Seller is not in default or violation, and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation, in any material respect of any term, condition or provision of any Seller Permit and, to the knowledge of Seller, there are no facts or circumstances which could form the basis for any such default or violation. None of the Seller Permits will be materially impaired by the consummation of the transactions contemplated by this Agreement.

2.5 **Taxes.**

(a) Seller has, in respect of the Station's business and as to each of the Station Assets, filed all material foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes shown thereon as due and payable, except, in each case, any taxes or assessments being contested in good faith. Seller is not a foreign person within the meaning of Section 1445 of the Code.

(b) For purposes of Section 2.5(a) and for all other purposes of this Agreement, "Tax" (and, in the plural, "Taxes") shall mean (i) any domestic or foreign federal, state or local taxes, charges, fees, levies, imposts, duties and governmental fees or other like assessments or charges of any kind whatsoever (including, but not limited to, any income, net income, gross income, receipts, windfall profit, severance, property, production, sales, use, license, excise, registration, franchise, employment, payroll, withholding, alternative or add-on minimum, intangibles, ad valorem, transfer, gains, stamp, estimated, transaction, title, capital, paid-up capital, profits, occupation, premium, value-added, recording, real property, personal property, inventory and merchandise, business privilege, federal highway use, commercial rent or environmental tax), (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i) and (iii) any liability in respect of any items described in clauses (i) and/or (ii) payable by reason of contract, assumption, transferee liability, operation of law, Section 1.1502-6(a) (or any predecessor or successor thereof) of the treasury regulations promulgated under the Code (or any analogous or similar provision under law) or otherwise.

(c) For all purposes of this Agreement, "Transfer Taxes" shall mean any sales, use, stamp, documentary, filing, recording, transfer, real estate transfer, stock transfer, gross receipts, registration, duty, securities transactions or similar fees or taxes or governmental charges (together with any interest or penalty, addition to tax or additional amount imposed) as levied by any taxing authority in connection with the transactions contemplated by this Agreement.

**2.6 Personal Property.** Schedule 1.1(b) contains a list of all items of Tangible Personal Property included in the Station Assets. Except as set forth on Schedule 1.1(b), Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens (defined below). Except as set forth on Schedule 1.1(b), all material items of Tangible Personal Property are in normal operating condition, ordinary wear and tear excepted. Except for this limited representation, the contemplated sale of personal property is "as is, where is," without any warranties of any nature whatsoever. As used herein, "Permitted Liens" means, collectively, the Assumed Obligations, Liens for taxes not yet due and payable as to which current accruals have been established on monthly financial statements consistent with GAAP, Liens that will be released at or prior to Closing, and such other easements, rights of way, building and use restrictions, lessor's privilege, exceptions, reservations and limitations that do not in any material respect detract from the value or marketability of title to the property subject thereto or impair the use thereof in the ordinary course of the business of the Station.

## 2.7 Leased Real Property.

(a) Schedule 1.1(c) sets forth a list of (i) all Leased Real Property and (ii) the contracts, leases or similar agreements with respect to the Leased Real Property. Seller (x) has a valid, binding and enforceable leasehold interest in and to the Leased Real Property; and (y) holds good leasehold title to, and actual and exclusive possession of, the premises leased pursuant to the Leased Real Property, free and clear of all Liens other than Permitted Liens and Liens that will be released upon payment of the Closing Payment.

(b) To Seller's knowledge, the Leased Real Property is not subject to: (i) any litigation, or (ii) any suit for condemnation or other taking by any public authority. Seller, on behalf of the Station, does not hold a contractual right or obligation to purchase or acquire any real estate interest. No person has an option, right of first refusal or other contractual right or obligation to acquire title to the Leased Real Property or any portion thereof or interest thereon. For purposes of this Agreement, "person" shall mean any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental authority or other entity.

(c) All of the personal property, fixtures and improvements owned by Seller and included in the Station Assets and included on or in the Leased Real Property are in normal operating condition, ordinary wear and tear excepted.

## 2.8 Contracts.

(a) Except as set forth on Schedule 1.1(d), each of the Station Contracts (including without limitation the leases related to the Leased Real Property) is in effect and is binding upon Seller and, to the knowledge of Seller, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to the knowledge of Seller, no other party to any of the Station Contracts is in default thereunder in any material respect.

(b) Schedule 2.8(b) sets forth a list of all retransmission agreements entered into by or on behalf of the Station as of the date hereof (the "Retransmission Agreements"), along with the following information for each such agreement: (i) name and address of the parties, (ii) date of execution, (iii) date of expiration, and (iv) fees payable to the Station. Seller has performed its obligations under each of the Retransmission Agreements in all material respects, and is not in material default thereunder, and to the knowledge of Seller, no other party to any Retransmission Agreement is in default thereunder in any material respect. Each of the Retransmission Agreements is assignable to Buyer by Seller.

2.9 Environmental. Except as set forth on Schedule 2.9, (a) no hazardous or toxic substance, material or waste regulated under or pursuant to any applicable environmental, health or safety law, rule, regulation or other legal requirement (collectively "Environmental Laws") has been generated, stored, transported or released by Seller on, in, from or to the Leased Real Property in violation of any Environmental Law; (b) the operations of the Station Assets by Seller

and Seller's operation of the Leased Real Property are, and have been, in compliance in all material respects with all Environmental Laws which compliance includes obtaining, maintaining and complying with all material Permits required under Environmental Laws to operate the Station Assets; (c) neither Seller (with respect to the Station), the Station Assets, nor the Leased Real Property is subject to any pending or, to the knowledge of Seller, threatened investigation, claim, action, proceeding, or suit alleging noncompliance with or potential liability under any Environmental Laws, and, to the knowledge of Seller, there are no current facts, circumstances or conditions arising out of or relating to the operations or ownership of the Station Assets or the Leased Real Property by Seller that would reasonably be expected to result in Buyer or Seller incurring material liabilities under Environmental Laws. Seller has made available to Buyer copies of all material environmental reports, assessments, audits, inspections, claims, notices, correspondence, judgments, and related materials related to environmental matters pertaining to the operation of the Station Assets that are in the possession or control of Seller.

2.10 **Intangible Property.** Schedule 1.1(f) contains a description of the Intangible Property included in the Station Assets. (i) Seller's use of the Intangible Property does not infringe upon any third party rights in any material respect, (ii) the Intangible Property is not the subject of any pending or, to the knowledge of Seller, threatened legal proceedings, which involve a claim of infringement, unauthorized use or violation by any person and (iii) Seller has not received any written notice of any threatened claim of infringement, unauthorized use or violation by any person against Seller or the Station challenging the ownership, use, validity or enforceability of any Intangible Property. Except as set forth on Schedule 1.1(f), Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens and such use does not violate in any material respect any other right of any other person (including pursuant to any non-disclosure agreement).

2.11 **Employees.**

(a) Seller is not a party to a collective bargaining or similar agreement with respect to Station employees. There is no union organization activity involving any of the Station employees pending or, to the knowledge of Seller, threatened. Except as set forth on Schedule 2.11(a), (i) Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station's business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and (ii) there is no unfair labor practice charge or complaint against Seller in respect of the Station's business pending or, to the knowledge of Seller, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or, to the knowledge of Seller, threatened in respect of the Station's business.

(b) Schedule 2.11(b) sets forth a correct and complete list of: (i) all employment, individual consulting or compensation agreements under which Seller has any obligation or liability (contingent or otherwise) with respect to Station Employees (as defined in Section 5.11(a)) (the "Employment Agreements") and (ii) all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all other employee benefit plans, policies, agreements or arrangements

(including but not limited to severance, change in control, retention or similar agreements or arrangements), other than the Employment Agreements, for the benefit of the Station Employees (or their eligible dependents or beneficiaries) (the "Seller Plans"). Each Seller Plan has been maintained in all material respects in accordance with its terms and applicable law, including without limitation the Code and ERISA.

(c) Schedule 2.11(c) sets forth a correct and complete (i) list of all Station Employees (as defined in Section 5.11(a)), including positions and annualized pay rates for such employees, (ii) list of all Station Employees who are on inactive status (including employees who are inactive due to layoff, leave or short-term or long-term disability or other permitted absence from employment), including the type of leave applicable to such employee and the date on which employee became inactive, and the employee's expected date of return to work, if known, and (iii) a list of all accrued and unused vacation and sick days credited to each Station Employee as of the date set forth on Schedule 2.11(c).

2.12 **Insurance.** Seller maintains insurance policies or other arrangements with respect to the Station and the Station Assets consistent with the requirements of law, and will maintain such policies or arrangements or comparable policies or arrangements until the Effective Time.

2.13 **Compliance with Law.** Except as set forth on Schedule 2.13, to the knowledge of Seller (i) Seller is in compliance in all material respects with all laws, rules and regulations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Station, and (ii) there are no governmental or regulatory claims or investigations pending or, to the knowledge of Seller, threatened against Seller, in each case in respect of the Station, except those affecting the broadcast television industry generally.

2.14 **Litigation.** Except as set forth on Schedule 2.14, (i) there is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against Seller or any of its officers or employees in respect of the Station or the transactions contemplated by this Agreement, which, in either case, has had or could reasonably be expected to have a Material Adverse Effect, and (ii) Seller is not engaged in any legal action to acquire injunctive relief or recover monies due it for damages sustained by it in connection with the Station.

2.15 **Financial Statements.** Seller has provided to Buyer copies of its statements of operations for the Station (the "Financial Statements") for the years ended December 31, 2013, 2014, and 2015, and for each of the months in 2016 through the month ended January 31, , 2016 (the "Financial Statement Date"). The Financial Statements have been prepared in accordance with GAAP consistently applied and, subject to normal recurring year-end adjustments, in the aggregate present fairly in all material respects the results of operations of the Station as operated by Seller for the respective periods covered thereby.

2.16 **Absence of Certain Developments.** Except as expressly contemplated by this Agreement, or as set forth on Schedule 2.16, between the Financial Statement Date and the date of this Agreement, (i) Seller has conducted the business of the Station in all material respects in the ordinary course of business and (ii) to the knowledge of Seller, there has not been any event, change, occurrence or circumstance that has had or could reasonably be expected to have a

Material Adverse Effect. As used herein, "Material Adverse Effect" means any change or effect that is materially adverse to the properties, operations, business, financial condition or results of operation of the Station.

2.17 **Sufficiency of Assets; Absence of Undisclosed Liabilities.** The Station Assets include all assets that are owned or leased by Seller and used in the operation of the Station in all material respects as currently operated, except for the Excluded Assets. The Station Assets, the FCC Licenses, the Leased Real Property, the STL Land and Building (defined below) and the Seller Permits, together with the Excluded Assets, are sufficient for Buyer to conduct the Station's business from and after the Closing Date without interruption and in the ordinary course of business as it has been conducted by Seller. Seller does not have any liabilities or indebtedness of any kind with respect to the Station Assets of the nature required to be disclosed in a balance sheet prepared in accordance with GAAP other than those liabilities (a) which are reflected or reserved against in the Financial Statements and the notes thereto, or (b) which constitute current liabilities incurred in Seller's ordinary course of business since the Financial Statement Date.

2.18 **Financial Advisors.** Except as set forth on Schedule 2.18, no person has acted, directly or indirectly, as a broker, finder or financial advisor for Seller in connection with the transactions contemplated by this Agreement and no person is or will be entitled to any fee or commission or like payment in respect thereof. Seller shall be responsible for the payment of any amounts owed to any financial advisor set forth on Schedule 2.18.

2.19 **Related Party Transactions.** Each Station Contract, between Seller on the one hand, and any affiliate of Seller or any officer, director or employee of Seller on the other hand, is on commercially-reasonable terms no more favorable to the affiliate, director, officer or employee of Seller than what any third party negotiating on an arms-length basis would expect.

### ARTICLE 3 BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 **Organization.** Each Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is (or if not required until Closing, as of Closing will be) qualified to do business in each jurisdiction in which the Station Assets are located. Each Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 **Authorization.** The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by each Buyer has been duly authorized and approved by all necessary action of each Buyer and its members and do not require any further authorization or consent of Buyer or its members. This Agreement is, and each Buyer Ancillary Agreement when

made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its 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 **No Conflicts.** Except for the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby and thereby does not (i) conflict with any organizational documents of either Buyer, (ii) conflict with, result in a breach of, or give rise to a right of termination or acceleration or constitute a default under any material contract of either Buyer, (iii) conflict with any law, judgment, order or decree to which either Buyer is subject, or (iv) require the consent or approval of, or a filing by either Buyer with, any governmental or regulatory authority or any third party.

3.4 **Litigation.** There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against either Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder or under the Buyer Ancillary Agreements.

3.5 **Financial Advisors.** No person has acted, directly or indirectly, as a broker, finder or financial advisor for Buyer in connection with the transactions contemplated by this Agreement and no person is or will be entitled to any fee or commission or like payment in respect thereof.

3.6 **Financing.** On the date hereof, Buyer has available on hand, from its working capital and/or currently available unrestricted credit facilities, all funds necessary to pay the Total Purchase Consideration Amount and to satisfy all of the obligations of Buyer under this Agreement and the Buyer Ancillary Agreements.

3.7 **Qualification.** Except as set forth on Schedule 3.7, Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC, and to the knowledge of Buyer: (i) there are no facts that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify it as an assignee of the FCC Licenses or as the owner and operator of the Station; (ii) no waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained; and (iii) there are no matters related to Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

## ARTICLE 4 COVENANTS

4.1 **Seller's Covenants.** Between the date hereof and the Closing Date, except as permitted by this Agreement, or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) operate the Station in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially modify any of the FCC Licenses;

(c) not, other than in the ordinary course of business, sell, lease, license, convey or dispose of or agree to sell, lease, license, convey or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens;

(d) upon reasonable notice give Buyer reasonable access during normal business hours to the Station Assets and the Station employees, and furnish Buyer with financial, accounting and other information relating to the Station Assets and the Station Employees that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Station;

(e) use its commercially reasonable efforts to (i) preserve the present business operations, organization (including without limitation employees) and goodwill of the Station and (ii) preserve the present relationships with persons having business dealings with the Station (including without limitation customers and suppliers);

(f) maintain (i) all of the Station Assets in their current condition, ordinary wear and tear excepted, and (ii) insurance upon all Station Assets in such amounts and of such kinds comparable to that in effect on the date of this Agreement;

(g) except as otherwise required by law or in the ordinary course of business, (i) not enter into any employment agreement or plan or any collective bargaining agreement (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing or (ii) increase the compensation payable to any Station Employee, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement;

(h) not fail to make any capital expenditures substantially consistent with the capital budget set forth in Schedule 4.1;

(i) furnish to Buyer (1) as soon as available, and in any event within ten (10) days after it is prepared, a copy of any report by the Seller or the Station for submission to its board of directors (or equivalent body) and the working papers related thereto and other operating or financial reports (including any projections and budgets) prepared for management of the Station and the working papers related thereto, (2) as soon as available, copies of all reports, renewals, filings, certificates, statements and other documents filed with any governmental entity, as well as copies of all orders and correspondence from any governmental entity (3) as soon as available, and in any event within ten (10) days after prepared, monthly and quarterly unaudited balance sheets, statements of operations and cash flow and changes in members' equity for Seller, (4) as soon as available, and in any event within one (1) day after prepared, weekly pacing reports and monthly ratings books for the Station and (5) such other reports as Buyer may reasonably request relating to Seller or the Station. Each of the financial