ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

BETWEEN

[_____]
as SELLER

AND

SINCLAIR ENTITY

as BUYER

[dated _____, 20__]

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") is entered into on_____, 20___ by and between [_____], a [_____] ("Seller") and [Sinclair Entity], a [_____] ("Buyer").

RECITALS

WHEREAS, Seller owns and operates television broadcast station WMMP-TV (the "**Station**"), pursuant to the FCC Licenses (as defined in Section 1.1 below) and owns or leases certain assets used in connection with the operation of the Station;

WHEREAS, Seller wishes to sell and Buyer wishes to purchase the assets as defined in Section 2.1 of this Agreement, or in the alternative the issued and outstanding equity of Seller; and

WHEREAS, Seller and Buyer have agreed to enter into this Agreement as set forth herein.

AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the parties to this Agreement, intending to be bound legally, agree as follows:

SECTION 1: CERTAIN DEFINITIONS

1.1. **Terms Defined in this Section.** The following terms, as used in this Agreement, have the meanings set forth in this Section:

"**Action**" means any claim, action, suit, inquiry, proceeding, audit or investigation by or before any governmental authority, or any other arbitration, mediation or similar proceeding.

"**Affiliate**" means, with respect to any Person, (a) any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such Person within the meaning of clause (a) of this definition. For purposes of clause (a) of this definition, (i) a Person shall be deemed to control another Person if such Person (A) has sufficient power to enable such Person to elect a majority of the board of directors of such Person, or (B) owns a majority of the beneficial interests in income and capital of such Person; and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner.

"**Assets**" means the assets to be transferred or otherwise conveyed by Seller to Buyer under this Agreement, as specified in Section 2.1 of this Agreement.

"**Assumed Contracts**" means (a) all Contracts set forth on Schedule 5.7, (b) Contracts entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume, and (c) other Contracts entered into by Seller between the date of this Agreement and the Closing Date in compliance with Section 7 of this Agreement or the TBA.

"**Business Day**" means any day other than a Saturday, a Sunday, or other day on which banks in New York, New York generally are not open for business.

"Buyer's Credit Agreement" means the credit agreement or agreements, by and among Sinclair Television Group, Inc. and/or its Affiliate and lenders and or borrowers, as amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time.

"Buyer's Lenders" means those financial institutions providing financing to Buyer and its parent and/or its subsidiaries pursuant to Buyer's Credit Agreement.

"Closing" means the consummation of (a) the exchange and acquisition of the Assets, or (b) the purchase of the Shares, pursuant to this Agreement on the Closing Date in accordance with the provisions of Section 10.1 of this Agreement.

"Closing Date" means the date on which the Closing occurs, as determined pursuant to Section 10.1 of this Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Communications Act**" means the Communications Act of 1934, as amended.

"Consents" means the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Assets or the Shares, as applicable, to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

"Contaminant" shall mean and include any pollutant, contaminant, hazardous material (as defined in any of the Environmental Laws), toxic substances (as defined in any of the Environmental Laws), asbestos or asbestos containing material, urea formaldehyde, polychlorinated biphenyls, regulated substances and wastes, radioactive materials, and petroleum or petroleum by-products, including crude oil or any fraction thereof, except the term "Contaminant" shall not include small quantities of maintenance, cleaning and emergency generator fuel supplies customary for the operation of television stations and maintained in compliance with all Environmental Laws in the ordinary course of business.

"**Contracts**" means all contracts, consulting agreements, leases, non-governmental licenses and other agreements (including leases for personal or real property and employment agreements), written or oral (including any amendments and other modifications thereto) to which any Seller is a party or that are binding upon any Seller, that relate to or affect the Assets

or the Station's Business, and that either (a) are in effect on the date of this Agreement, or (b) are entered into by Seller between the date of this Agreement and the Closing Date.

"Effective Time" means 12:01 a.m., Eastern Time, on the Closing Date.

"Environmental Laws" shall mean and include, but not be limited to, any applicable federal, state or local law, statute, charter, ordinance, rule or regulation or any governmental agency interpretation, policy or guidance, including, without limitation, applicable safety/environmental/health laws, such as, but not limited to, the Resource Conservation and Recovery Act of 1976, Comprehensive Environmental Response Compensation and Liability Act, Federal Emergency Planning and Community Right-to-Know Law, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act, as any of the foregoing have been amended, and any permit, order, directive, court ruling or order or consent decree applicable to or affecting the Property or any other property (real or personal) used by or relating to the Station in question promulgated or issued pursuant to any Environmental Laws which pertains to, governs, or controls the generation, storage, remediation or removal of Contaminants or otherwise regulates the protection of health and the environment, including, but not limited to, any of the following activities, whether on site or off site if such could materially affect the site: (a) the emission, discharge, release, spilling or dumping of any Contaminant into the air, surface water, ground water, soil or substrata; or (b) the use, generation, processing, sale, recycling, treatment, handling, storage, disposal, transportation, labeling or any other management of any Contaminant.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"FCC" means the Federal Communications Commission.

"FCC Consent" means action by the FCC granting its consent to the assignment or transfer of the FCC Licenses by Seller to Buyer as contemplated by this Agreement.

"FCC Licenses" means those licenses, permits and authorizations issued by the FCC to Seller in connection with the Station's Business.

"Final Order" shall mean the consent by the FCC to the application for FCC Consent filed by the parties hereto for FCC Consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action, no protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending, and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired.

"Intangibles" means all call letters, call signs, copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by Seller or under which Seller is licensed or franchised and that

are used in the Station's Business, together with any additions thereto between the date of this Agreement and the Closing Date.

"**Leased Real Property**" means all real property and all buildings and other improvements thereon and appurtenant thereto leased or held by Seller and used in the Station's Business.

"**Licenses**" means all licenses, permits, construction permits and other authorizations issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to Seller currently in effect and used in connection with the conduct of the Station's Business, together with any additions thereto between the date of this Agreement and the Closing Date.

"**Loss**" means, with respect to any Person, any and all costs, obligations, liabilities, demands, claims, settlement payments, awards, judgments, fines, penalties, damages, and reasonable out-of-pocket expenses, including court costs and reasonable attorneys' fees, whether or not arising out of a third-party claim.

"**Material Adverse Effect**" means any event, change, circumstance, occurrence, effect or state of facts that (a) is or would reasonably be expected to be materially adverse to the business, assets, liabilities, condition (financial or otherwise), results of operations of the Station or the Assets or (b) materially impairs the ability of Seller to consummate or prevents any of the transactions contemplated by this Agreement or would reasonably be expected to do so.

"Operational Agreements" means those certain agreement by and between [_____].

"**Permitted Encumbrances**" means (a) encumbrances of a landlord, other statutory liens not yet due and payable, or landlord's liens arising in the ordinary course of business, (b) encumbrances arising in connection with equipment or maintenance financing or leasing under the terms of the Contracts set forth on Schedule 5.7, which Contracts have been made available to Buyer, (c) encumbrances for Taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Seller's books in accordance with generally accepted accounting principles, or (d) encumbrances that do not materially detract from the value of any of the Assets or materially interfere with the use thereof as currently used.

"**Person**" means an individual, corporation, association, partnership, joint venture, trust, estate, limited liability company, limited liability partnership, or other entity or organization.

"Real Property" means all real property and all buildings and other improvements thereon and appurtenant thereto leased or held by Seller and used in the Station's business.

"Real Property Interests" means all interests in Leased Real Property, including fee estates, leaseholds and subleaseholds, purchase options, easements, licenses, rights to access, and rights of way, and all buildings and other improvements thereon and appurtenant thereto, owned or held by Seller that are used in the Station's Business, together with any additions,

substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date.

"**Seller's Knowledge**" means the actual knowledge, after due inquiry, of officers of Seller.

"Shares" means all of the stock, (or all of membership interest or partnership interest, if applicable) of any class of Seller issued and outstanding on the Closing Date including any options, warrants or other rights to acquire shares of Seller prior to or after the Closing Date.

"Station's Business" means the business as currently, and as over the past year, conducted by Seller, Seller's Affiliates, and/or Seller's employees and contractors, including contractors pursuant to the Operational Agreements or similar agreement, with respect to the Station, taken as a whole, including the Assets and operations thereof.

"**Suitable Third Party**" means a third party transferee who is, in the good faith opinion of Buyer, (a) financially capable of purchasing the Assets or the Shares, (b) likely to receive FCC Consent to purchase the Assets or the Shares, and (c) otherwise able to acquire the Assets or the Shares pursuant to the terms of this Agreement.

"Tangible Personal Property" means all machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts and other tangible personal property owned or held by Seller that is used or useful in the conduct of the Station's Business, together with any additions, substitutions and replacements thereof and thereto between the date of this Agreement and the Closing Date.

"Tax" means any federal, state, local, or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding, or other tax or similar governmental assessment, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any tax return, declaration of estimated tax, tax report or other tax statement, or any other similar filing required to be submitted to any governmental authority with respect to any Tax.

"**Termination Date**" means 12:00 midnight Eastern Time on the first anniversary of the date of this Agreement.

1.2. **Terms Defined Elsewhere in this Agreement**. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated:

Term	Section
Act	Section 8.14

Adjusted Purchase Price	Section 2.3(c)
Agreement	Preamble
Benefit Arrangement	Section 5.14 (a)(v)
Benefit Plans	Section 5.14(a)(ii)
Buyer	Preamble
Claimant	Section 12.4(a)
Closing Notice	Section 10.1(a)(i)
Employees	Section 5.14(a)
Estimated Adjusted Purchase Price	Section 2.3(c)(i)
Fair Market Value of the Assets	Section 8.6
Final Adjusted Purchase Price	Section 2.5(a)
Financial Statements	Section 5.10
Indemnifying Party	Section 12.4(a)
Multiemployer Plan	Section 5.14(a)(ii)
Notice of Renewal	Section 11.8
Notice of Termination	Section 11.8
Option Exercise Notice	Section 3.2(a)
Pension Plan	Section 5.14(a)(iii)
Purchase Price	Section 2.3(a)
Renewal Term	Section 11.8
Seller	Preamble
State Acts	Section 8.14
Station	Recitals
Stock Option	Section 3.1
Transferred Employees	Section 8.8(a)
Welfare Plan	Section 5.14(a)(i)

Rules of Construction.

A reference in the singular shall be deemed to include the plural and the plural shall be deemed to include the singular. A reference to one gender shall include any other gender. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "party" and "parties" shall be deemed references to parties to this

Agreement unless the context shall otherwise require. The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Except as specifically otherwise provided in this Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Agreement or the Schedules or Exhibits hereto, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Schedules and Exhibits to this Agreement. The terms "or" is used in its inclusive sense ("and/or"). All references to "Dollars" and "$" refer to the currency of the United States.

Sections.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

SECTION 2: EXCHANGE AND TRANSFER OF ASSETS; ASSET VALUE

2.1. **Agreement to Exchange and Transfer**. Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to transfer, convey, assign and deliver to Buyer on the Closing Date, and Buyer agrees to acquire, all of Seller's right, title and interest in the tangible and intangible assets used in connection with the conduct of the Station's Business, together with any additions thereto between the date of this Agreement and the Closing Date (collectively, the "Assets"), but excluding the assets described in Section 2.2 of this Agreement, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, charges, or encumbrances of any nature whatsoever (except for Permitted Encumbrances), including the following:

(a) the Tangible Personal Property;

(b) the Real Property Interests;

(c) the Licenses;

(d) the Assumed Contracts;

(e) the Intangibles, including the goodwill of the Station, if any;

(f) all of Seller's proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints and schematics, including filings with the FCC, in each case, to the extent relating to the Station's Business;

(g) all choses in action of Seller relating to the Station to the extent they relate to the period after the Effective Time; and

(h) all books, logs and records relating to the Station's Business, including executed copies of the Assumed Contracts, and all logs and records required by the FCC to be kept by the Station.

2.2. **Excluded Assets**. The Assets shall exclude the following:

(a) Seller's cash, cash equivalents and deposits, all interest payable in connection with any such items and rights in and to bank accounts, marketable and other securities and similar investments (but not the securities of any subsidiary of any Seller) of Seller;

(b) any insurance policies, promissory notes not included in the Assumed Contracts, amounts due to Seller from employees, bonds, letters of credit, certificates of deposit, or other similar items, and any cash surrender value in regard thereto; provided, that in the event Seller is obligated to assign to Buyer the proceeds of any such insurance policy at the time a Closing occurs under Section 10.1 of this Agreement, such proceeds shall be included in the Assets;

(c) any pension, profit-sharing, or employee benefit plans, including all of Seller's interest in any Welfare Plan, Pension Plan or Benefit Arrangement (each as defined in Section 5.14(a) of this Agreement;

(d) all Tangible Personal Property disposed of or consumed in the ordinary course of business as permitted by this Agreement;

(e) all Tax Returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, all of Seller's organizational documents, corporate books and records (including minute books and stock ledgers) and originals of account books of original entry, all records of Seller relating to the sale of the Assets and all records and documents related to any assets excluded pursuant to this Section 2.2;

(f) any interest in and to any refunds of federal, state, or local franchise, income, or other taxes for periods (or portions thereof) ending on or prior to the Closing Date;

(g) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties relating to the Assets of the Station, whether in tort, contract or otherwise, other than rights and claims against third parties relating to the Assets which have as their basis loss, damage or impairment of or to any of the Assets and which loss, damage or impairment has not been restored or repaired prior to the Closing in which any of the Assets which has been so damaged or impaired is being acquired by Buyer (or in the case of a lost asset, that would have been acquired but for such loss);

(h) any Contracts which are not Assumed Contracts;

(i) all of Seller's deposits and prepaid expenses; provided, that any deposits and prepaid expenses shall be included in the Assets to the extent that Seller receive a credit therefor in the proration of the Purchase Price pursuant to Section 2.3(b) of this Agreement; and

(j) all rights of Seller under or pursuant to this Agreement (or any other agreements contemplated hereby).

2.3. **Purchase Price.**

(a) The aggregate purchase price for the Assets shall be equal to the sum of $2,290,000 (the "**Purchase Price**"). The Purchase Price shall be adjusted as provided for in Section 2.3(c) of this Agreement.

(b) **Prorations**. The Purchase Price shall be increased or decreased as required to effectuate the proration of revenues and expenses as set forth below. All revenues and all expenses arising from the operation of the Station, including tower rental, business and license fees, utility charges, real property and personal property, and other similar Taxes and assessments levied against or with respect to the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges and, subject to the provisions of Section 8.8 of this Agreement, employee compensation, including wages (including bonuses which constitute wages), salaries, and related Taxes shall be prorated between Buyer and Seller in accordance with the principle that, subject to the terms of the Operational Agreements, Seller shall receive all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the operations of the Station for the period prior to the Effective Time, and Buyer shall receive all revenues and shall be responsible for all expenses, costs, and obligations allocable to the operations of the Station for the period after the Effective Time subject to the following:

(i) In the case of an Asset sale, there shall be no adjustment for, and Seller shall remain solely liable with respect to, any Contracts not included in the Assumed Contracts and any other obligation or liability not being assumed by Buyer in accordance with Section 2.2 of this Agreement. An adjustment and proration shall be made in favor of Buyer to the extent that Buyer assume any liability under any Assumed Contract to refund (or to credit against payments otherwise due) any security deposit or similar prepayment paid to Seller by any lessee or other third party. An adjustment and proration shall be made in favor of Seller to the extent Buyer receives the right to receive a refund (or to a credit against payments otherwise due) under any Assumed Contract to any security deposit or similar pre-payment paid by or on behalf of Seller.

(ii) An adjustment and proration shall be made in favor of Seller for the amount, if any, of prepaid expense, the benefit of which accrues to Buyer hereunder, and other current assets acquired by Buyer hereunder which are paid by Seller to the extent such prepaid expenses and other current assets relate to the period after the Effective Time.

(c) **Manner of Determining Adjustments**. The Purchase Price, taking into account the prorations pursuant to Section 2.3(b) of this Agreement (the "**Adjusted Purchase Price**"), will be determined in accordance with the following procedures:

(i) Seller shall prepare and deliver to Buyer not later than five (5) Business Days before the Closing Date a preliminary settlement statement which shall set forth Seller's

good faith estimate of the adjustments to the Purchase Price under Section 2.3(b) of this Agreement and setting forth Seller's estimate of the Adjusted Purchase Price (the "**Estimated Adjusted Purchase Price**"). The preliminary settlement statement shall (A) contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price, to the extent any adjustments can be determined or estimated as of the date of the preliminary settlement statement, and such other information as may be reasonably requested by Buyer, and (B) be certified by Seller to be true and complete to Seller's Knowledge as of the date thereof.

(ii) Not later than two (2) Business Days prior to the Closing Date, Buyer shall either accept or reject the Estimated Adjusted Purchase Price. If Buyer accepts the Estimated Adjusted Purchase Price, the Estimated Adjusted Purchase Price shall be paid by Buyer to Seller at the Closing in accordance with Section 2.4 of this Agreement. If Buyer rejects the Estimated Adjusted Purchase Price, Buyer will submit simultaneously to Seller their good faith estimate of the Estimated Adjusted Purchase Price, including a statement that will contain all information reasonably necessary to determine the Estimated Adjusted Purchase Price and such other information as may be reasonably requested by Seller. The parties shall then use their best efforts to agree upon the Estimated Adjusted Purchase Price prior to the Closing Date. If the parties cannot agree on the Estimated Adjusted Purchase Price prior to the Closing, the Estimated Adjusted Purchase Price shall be the average of Buyer's and Seller's estimates of the Estimated Adjusted Purchase Price.

2.4. **Payment of Purchase Price**. At the Closing, Buyer shall deliver to Seller, by wire transfer of immediately available funds to such bank accounts as Seller may designate at least two (2) Business Days prior to the Closing Date, a payment equal to the Estimated Adjusted Purchase Price.

2.5. **Post-Closing Adjustments.**

(a) Not later than forty five (45) calendar days after the Closing Date, Buyer will deliver to Seller a statement setting forth Buyer's determination of any additional adjustments to the Purchase Price under Section 2.3(b) of this Agreement and setting forth Buyer's calculation of the final adjusted purchase price (the "**Final Adjusted Purchase Price**"). Buyer's statement shall (i) contain all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Seller, and (ii) be certified by Buyer to be true and complete to Buyer's knowledge as of the date thereof. If Seller disputes the amount of the Final Adjusted Purchase Price as determined by Buyer, Seller shall deliver to Buyer within thirty (30) calendar days after receipt of Buyer's statement a statement setting forth their determination of the amount of the Final Adjusted Purchase Price which shall include all information reasonably necessary to determine the Final Adjusted Purchase Price and such other information as may be reasonably requested by Buyer. If Seller notifies Buyer of their acceptance of Buyer's statement, or if Seller fails to deliver their statement within the thirty (30) calendar day period specified in the preceding sentence, Buyer's determination of the Final Adjusted Purchase Price shall be conclusive and binding on the parties as of the last day of the thirty (30) calendar day period.

(b) Buyer and Seller shall use good faith efforts to resolve any dispute involving the

determination of the Final Adjusted Purchase Price. If the parties are unable to resolve the dispute within forty five (45) calendar days following the delivery of Buyer's statements to be provided pursuant to Section 2.5(a) of this Agreement after the Closing, Buyer and Seller shall jointly designate an independent certified public accounting firm of national standing which has not regularly provided services to either Buyer or Seller in the last three (3) years, who shall be knowledgeable and experienced in the operation of television broadcasting stations, to resolve the dispute. If the parties are unable to agree on the designation of an independent certified public accounting firm, the selection of the accounting firm to resolve the dispute shall be submitted to arbitration to be held in Baltimore, Maryland, in accordance with the commercial arbitration rules of the American Arbitration Association. The accounting firm's resolution of the dispute or the arbitrators decision, as applicable, shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of this accounting firm, and, if necessary, for arbitration to select such accountant, shall be divided equally between the parties.

(c) If the Final Adjusted Purchase Price is (i) greater than the Estimated Adjusted Purchase Price, then Buyer shall pay to Seller within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Seller may designate, or (ii) less than the Estimated Adjusted Purchase Price, then Seller shall pay to Buyer within five (5) days of the determination of such Final Adjusted Purchase Price the difference between the Final Adjusted Purchase Price and the Estimated Adjusted Purchase Price by wire transfer of immediately available funds to such bank accounts as Buyer may designate.

2.6. **Assumption of Liabilities and Obligations**. As of the Closing Date, Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Seller under the Licenses, the Assumed Contracts, or as otherwise specifically provided for herein to the extent that either (a) the obligations and liabilities relate to the time after the Effective Time, or (b) the Purchase Price was reduced pursuant to Section 2.3(c) of this Agreement as a result of the proration of such obligations and liabilities under Section 2.3(b). Buyer shall not assume any other obligations or liabilities of Seller, including (w) any obligations or liabilities under any Contract not included in the Assumed Contracts, (x) any obligations or liabilities under the Assumed Contracts relating to the period prior to the Effective Time, except insofar as an adjustment therefor is made in favor of Buyer under Section 2.3(c) of this Agreement, (y) any claims or pending litigation or proceedings relating to the operation of the Station prior to the Closing or (z) any obligations or liabilities of Seller under any employee pension, retirement, or other benefit plans.

SECTION 3: STOCK OPTION

3.1. Grant of Stock Option.

(a) Subject to the terms and conditions of this Section 3, Buyer shall have the option (the "**Stock Option**"), in lieu of purchasing the Assets as contemplated hereby, to purchase all,

but not less than all, of the Shares such that on the Closing Date, Buyer will own all of the outstanding equity of Seller.

(b) Buyer may exercise the Stock Option in accordance with Section 3.2 of this Agreement at any time after the date of this Agreement.

3.2. **Exercise of Stock Option.**

(a) Buyer shall exercise the Stock Option by giving written notice to Seller and individually to stockholder(s) or his/their successors, assigns or heirs (collectively, **"Stockholder"**) (the **"Option Exercise Notice"**). The Option Exercise Notice shall specify a Closing Date pursuant to the terms of Section 10.1 of this Agreement. For the avoidance of doubt, a Closing pursuant to the Stock Option may occur after the Termination Date, so long as the Option Exercise Notice has been delivered prior to such time.

(b) Upon exercise of the Stock Option, Buyer may acquire the Shares either directly, or indirectly, including through one of its Affiliates, or may assign its rights to a third party without prior consent of Seller. Buyer and Seller shall either revise this Agreement to reflect the transfer of the Shares or enter into other documents to provide for the transfer of the Shares pursuant to terms and conditions materially similar to the terms and conditions of this Agreement.

(c) On the Closing Date of the Stock Option, Buyer shall pay the closing payment to Stockholder as required by Section 10.3(a) of this Agreement, which payment shall be calculated and adjusted in the same manner as provided for in Section 2 of this Agreement.

SECTION 4: [RESERVED]

SECTION 5: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, in which case, such representations and warranties shall be true and complete as of such date or time) as follows:

5.1. **Organization and Authority of Seller.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Seller has the requisite corporate power and authority to own, lease and operate its properties, to carry on its business where such properties are now owned, leased, or operated and such business is now conducted, and to execute, deliver and perform this Agreement and the documents contemplated hereby according to its respective terms.

5.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary corporate or other required action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes its legal, valid and binding obligation, enforceable against it 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.

5.3. **Absence of Conflicting Agreements; Consents**. Subject to obtaining the FCC Consent, the execution, delivery and performance by Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any third party; (b) will not conflict with any provision of the Articles of Incorporation, Bylaws, Articles of Organization (as applicable), or other organizational documents of Seller; (c) will not conflict with, result in a material breach of, or constitute a material default under any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound legally; and (e) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Assets or the Shares. Except for the FCC Consent provided for in Section 8.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Seller to transfer and convey the Assets or the Shares to Buyer.

5.4. **Governmental Licenses**. Schedule 5.4 includes a true and complete list of the FCC Licenses. Seller has made available to Buyer true and complete copies of all material Licenses (including any amendments and other modifications thereto). The Licenses have been validly issued, and Seller is the authorized legal holder of the Licenses and those FCC Licenses listed on Schedule 5.4. The Licenses and the FCC Licenses listed on Schedule 5.4 comprise all of the material licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct in all material respects of the Station's Business in the manner and to the full extent it is now conducted, and, except as otherwise disclosed on Schedule 5.4, none of the Licenses are subject to any unusual or special restriction or condition that could reasonably be expected to limit materially the full operation of the Station as now operated. The FCC Licenses are in full force and effect, are valid for the balance of the current license term applicable generally to television stations licensed to the same community as the Station, are unimpaired by any acts or omissions of Seller or any of its Affiliates, or the employees, agents, officers, directors, or shareholders of Seller or any of their Affiliates, and are free and clear of any restrictions which might limit the full operation of the Station in the manner and to the full extent as it is now operated (other than restrictions under the terms of the licenses themselves or applicable to the television broadcast industry generally). Except as listed on Schedule 5.4 hereto, there are no applications, proceedings or complaints pending or, to Seller's Knowledge, threatened which may have an adverse effect on the Station's Business (other than rulemaking proceedings that apply to the television broadcasting industry generally). Except as disclosed on Schedule 5.4 hereto, Seller is not aware of any reason why any of the FCC Licenses might not be renewed in the ordinary course for a full term without material qualifications or of any reason why any of the FCC Licenses might be revoked. Except as set forth on Schedule 5.4,

to Seller's Knowledge, there are no facts relating to Seller which, under the Communications Act, as amended, or the existing rules of the FCC, would (a) disqualify Seller from assigning any of its FCC Licenses to Buyer, (b) cause the filing of any objection to the assignment of the FCC Licenses to Buyer, (c) lead to a delay in the processing by the FCC of the applications of the FCC Licenses to Buyer, or (d) disqualify Seller from consummating the transactions contemplated herein within the times contemplated herein. An appropriate public inspection file for the Station is maintained at the Station's studio in accordance with FCC rules.

5.5. **Real Property**. Access to the Station's transmission facilities are restricted in accordance with the policies of the FCC. Schedule 5.5 contains a complete description of all Real Property Interests (including street address, owner, and Seller's use thereof). The Real Property Interests listed on Schedule 5.5 comprise all interests in real property necessary to conduct the Station's Business. To Seller's Knowledge, each leasehold or subleasehold interest included on Schedule 5.5 is legal, valid, binding, enforceable and in full force and effect. Neither Seller nor, to Seller's Knowledge, any other party thereto is in material default, violation or breach under any lease or sublease and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a material default, violation or breach thereunder. Seller has not received any notice of a default, offset or counterclaim under any lease or sublease with respect to any of the Real Property Interests. As of the date hereof and as of the Closing Date, Seller enjoys peaceful and undisturbed possession of the Leased Real Property; and so long as Seller fulfills their obligations under the lease therefor, Seller has enforceable rights to nondisturbance and quiet enjoyment against its lessor or sublessor; and, to Seller's Knowledge, except as set forth in Schedule 5.5, no third party holds any interest in the leased premises with the right to foreclose upon Seller's leasehold or subleasehold interest. Seller has legal and practical access to all of the Leased Real Property. Except as otherwise disclosed in Schedule 5.5, to Seller's Knowledge, all towers, guy anchors, ground radials, and buildings and other improvements included in the Assets are located entirely on the Leased Real Property listed in Schedule 5.5. All Real Property Interests (including the improvements thereon) (a) are in good condition and repair consistent with its current use, (b) are available for immediate use in the conduct of the Station's Business, and (c) comply in all material respects with all applicable material building or zoning codes and the regulations of any governmental authority having jurisdiction, except to the extent that the current use by Seller, while permitted, constitutes or would constitute a "nonconforming use" under current zoning or land use regulations. No eminent domain or condemnation proceedings are pending or, to Seller's Knowledge, threatened with respect to any Real Property Interests.

5.6. **Tangible Personal Property**. Schedule 5.6 lists the Tangible Personal Property comprising all material items of tangible personal property necessary to conduct the Station's Business. Except as described in Schedule 5.6, Seller owns and has good title to each item of Tangible Personal Property and none of the Tangible Personal Property owned by Seller is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, each material item of Tangible Personal Property is in good operating condition and repair and is available for immediate use in the business and operations of the Station. Except as set forth in Schedule 5.6, all material items of transmitting and studio equipment included in the Tangible Personal Property (a) have been maintained in a

manner consistent with generally accepted standards of good engineering practice, and (b) will permit the Station and any auxiliaries thereto to operate in accordance with the terms of the FCC Licenses and the rules and regulations of the FCC and in all material respects with all other applicable federal, state and local statutes, ordinances, rules and regulations.

5.7. **Contracts**. Schedule 5.7 is a true and complete list of all Contracts relating to the Station except Contract relating to the Station that Buyer and/or its Affiliates are a party to. Seller has delivered or made available to Buyer true and complete copies of all written Assumed Contracts, and true and complete descriptions of all oral Assumed Contracts (including any amendments and other modifications to such Contracts). Other than the Contracts listed on Schedule 5.5 and Schedule 5.7, Seller requires no material contract, lease, or other agreement to enable it to carry on its business in all material respects as now conducted. All of the Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms except as the enforceability of such Contracts may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. Neither Seller nor, to Seller's Knowledge, any other party thereto is in default, violation or breach in any material respect under any Contract and no event has occurred and is continuing that constitutes (with notice or passage of time or both) a default, violation, or breach in any material respect thereunder. Except as disclosed on Schedule 5.7, other than in the ordinary course of business, to Seller's Knowledge, no party to any Contract has any intention (a) to terminate such Contract or amend the terms thereof, (b) to refuse to renew the Contract upon expiration of its term, or (c) to renew the Contract upon expiration only on terms and conditions that are more onerous than those now existing. Except for the need to obtain the Consents listed on Schedule 5.5 and Schedule 5.7, the exchange and transfer of the Assets or the Shares in accordance with this Agreement will not affect the validity, enforceability, or continuation of any of the Contracts.

5.8. **Intangibles**. Schedule 5.8 is a true and complete list of all Intangibles (exclusive of Licenses listed in Schedule 5.4) that are required to conduct the Station's Business , all of which are valid and in good standing and uncontested. Seller has provided or made available to Buyer copies of all documents establishing or evidencing the Intangibles listed on Schedule 5.8. Seller owns or has a valid license to use all of the Intangibles listed on Schedule 5.8. Other than with respect to matters generally affecting the television broadcasting industry and not particular to Seller and except as set forth on Schedule 5.8, Seller has not received any notice or demand alleging that Seller is infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person, and there is no claim or action pending or, to Seller's Knowledge, threatened with respect thereto. To Seller's Knowledge, except as set forth on Schedule 5.8, no other Person is infringing upon Seller's rights or ownership interest in the Intangibles.

5.9. **Title to Properties; Sufficiency of Assets.**

(a) Seller has, as applicable, good and marketable title to the Assets and, except as disclosed in Schedule 5.9(a), the Assets are not subject to mortgages, pledges, liens, security

interests, encumbrances, or other charges or rights of others of any kind or nature except for Permitted Encumbrances.

(b) At the Closing, Buyer will acquire all of the assets, properties and rights necessary and sufficient for the conduct and operation of the Station as currently conducted and operated or as proposed by Seller to be conducted and operated.

5.10. **[RESERVED]**.

5.11. **Taxes**. Except as set forth in Schedule 5.11, Seller has filed or caused to be filed all Tax Returns that are required to be filed with respect to its ownership and operation of the Station, and have paid or caused to be paid all Taxes shown on those returns or on any Tax assessment received by it to the extent that such Taxes have become due, or have set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. There are no legal, administrative, or other Tax proceedings presently pending, and there are no grounds existing pursuant to which Seller is or could be made liable for any Taxes, the liability for which could extend to Buyer as assignees of the Station's Business.

5.12. **Insurance.** Schedule 5.12 contains a true and complete list of all insurance policies of or covering the Assets or relating to the operation of the Station. All policies of insurance listed in Schedule 5.12 are in full force and effect as of the date hereof. No insurance policy of Seller or the Station has been canceled by the insurer and, except as set forth on Schedule 5.12, no application of Seller for insurance has been rejected by any insurer.

5.13. **Reports.** All material returns, reports and statements that the Station is currently required to file with the FCC or Federal Aviation Administration have been filed, and all reporting requirements of the FCC and Federal Aviation Administration have been complied with in all material respects. All of such returns, reports and statements, as filed, satisfy all applicable legal requirements in all material respects.

5.14. **Personnel and Employee Benefits.**

(a) **Employees and Compensation**. Schedule 5.14 contains a true and complete list of all employees of Seller employed at the Station as of _____, 20__. Schedule 5.14 also contains a true and complete list of all employee benefit plans or arrangements covering the employees employed at the Station (the "**Employees**"), including, with respect to the Employees any:

(i) "Employee welfare benefit plan," as defined in Section 3(1) of ERISA, that is maintained or administered by Seller or to which Seller contributes or are required to contribute (a "**Welfare Plan**");

(ii) "Multiemployer pension plan," as defined in Section 3(37) of ERISA, that is maintained or administered by Seller or to which Seller contributes or are required to contribute (a "**Multiemployer Plan**" and, together with the Welfare Plans, the "**Benefit Plans**");

(iii) "Employee pension benefit plan," as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), to which Seller contributes or are required to contribute (a "**Pension Plan**");

(iv) Employee plan that is maintained in connection with any trust described in Section 501(c)(9) of the Internal Revenue Code of 1986, as amended; and

(v) Employment, severance, or other similar contract, arrangement, or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, or retirement benefits or arrangement for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, stock purchases, or other forms of incentive compensation or post-retirement insurance, compensation, or benefits that (A) is not a Welfare Plan, Pension Plan, or Multiemployer Plan, and (B) is entered into, maintained, contributed to, or required to be contributed to by Seller or under which Seller has any liability relating to Employees, (collectively, "**Benefit Arrangements**").

(b) **Pension Plans**. Seller does not sponsor, maintain, or contribute to any Pension Plan.

(c) **Welfare Plans**. Seller does not maintain any Welfare Plan.

(d) **Benefit Arrangements**. Seller does not maintain any Benefit Arrangement.

(e) **Multiemployer Plans**. Seller has not at any time been a participant in any Multiemployer Plan.

(f) **Labor Relations**. Except as set forth in Schedule 5.14(g), Seller is not a party to or subject to any collective bargaining agreement or written or oral employment agreement with any Employee. With respect to the Employees, Seller has complied in all material respects with all laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and has not received any notice alleging that Seller has failed to comply materially with any such laws, rules, or regulations. Except as set forth on Schedule 5.14(g), no proceedings are pending or, to Seller's Knowledge, threatened between Seller and any Employee (individually or collectively) that relate to the Station. Except as set forth on Schedule 5.14(g), no labor union or other collective bargaining unit represents or claims to represent any of the Employees. Except as set forth in Schedule 5.14(g), to Seller's Knowledge, there is no union campaign being conducted to solicit cards from any Employees to authorize a union to represent any of the employees of Seller or to request a National Labor Relations Board certification election with respect to any Employees.

5.15. **Claims and Legal Actions**. Except as disclosed on Schedule 5.15 and except for any FCC rulemaking proceedings generally affecting the television broadcasting industry and not particular to Seller, there is no claim, legal action, counterclaim, suit, arbitration, or other legal,

administrative, or tax proceeding, nor any order, decree, or judgment, in progress or pending or, to Seller's Knowledge, threatened against or relating to the Assets or the Station's Business, nor does Seller know of any basis for the same.

5.16. **Environmental Compliance**.

(a) Seller does not own any real property. Except as disclosed on Schedule 5.16: (i) none of the Tangible Personal Property and, to Seller's Knowledge, none of the Leased Real Property contains (A) any asbestos, polychlorinated biphenyls or any PCB contaminated oil, (B) any Contaminants, or (C) any underground storage tanks; (ii) no underground storage tank disclosed on Schedule 5.16 has leaked and has not been remediated or leaks and such tank is in substantial compliance with all applicable Environmental Laws; and (iii) to Seller's Knowledge, all of the Leased Real Property is in substantial compliance with all applicable Environmental Laws.

(b) To Seller's Knowledge, Seller has obtained all material permits, licenses and other authorizations that are required under all Environmental Laws.

5.17. **Compliance with Laws.** Except as set forth in Schedule 5.17, Seller has complied in all material respects with the Licenses and all material federal, state and local laws, rules, regulations and ordinances applicable or relating to the ownership and operation of the Assets and Station, and Seller has not received any notice of any material violation of federal, state and local laws, regulations and ordinances applicable or relating to the ownership or operation of the Assets and the Station.

5.18. **Conduct of Business in Ordinary Course.** Since _____, Seller has conducted the Station's Business in the ordinary course and, except as disclosed in Schedule 5.18, have not:

(a) made any material increase in compensation payable or to become payable to any of their employees other than those in the normal and usual course of business or in connection with any change in an employee's responsibilities, or any bonus payment made or promised to any of their Employees, or any material change in personnel policies, employee benefits, or other compensation arrangements affecting their employees;

(b) made any sale, assignment, lease, or other transfer of assets other than in the normal and usual course of business with suitable replacements being obtained therefor;

(c) canceled any debts owed to or claims held by Seller, except in the normal and usual course of business;

(d) made any changes in Seller's accounting practices; or

(e) transferred or granted any right under, or entered into any settlement regarding the breach or infringement of, any license, patent, copyright, trademark, trade name, franchise, or similar right, or modified any existing right.

5.19. **[RESERVED].**

5.20. **Broker**. Neither Seller nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

5.21. **Insolvency Proceedings.** Seller is not, nor any of the Assets, are the subject of any pending or threatened insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary. Seller has not made an assignment for the benefit of creditors or taken any action in contemplation of or which would constitute a valid basis for the institution of any such insolvency proceedings. Seller is not insolvent or become insolvent as a result of entering into or performing this Agreement.

5.22. **Ownership of the Shares.** Stockholder is the sole beneficial owner of the Shares. The Shares are duly and validly issued, fully paid and non-assessable, and at the Closing shall be free and clear of all liens, restrictions, claims, liabilities, pledges, conditions, security interests, encumbrances or preferential arrangements of any kind. Stockholder has the right, authority and power to sell, assign and transfer the Shares to Buyer or an Affiliate of Buyer.

5.23. **All Outstanding Shares.** The Shares represent one hundred percent (100%) of issued and outstanding capital stock (whether common, preferred, voting or non-voting) of Seller and neither Seller, Stockholder nor any other person or entity owns or has the right to acquire any stock options, stock appreciation rights, warrants, securities (including securities convertible into any capital stock) relating thereto.

5.24. **Good and Marketable Title.** Upon the transfer of the Shares to Buyer or an Affiliate of Buyer, Stockholder shall transfer, and Buyer or an Affiliate of Buyer shall receive, good and marketable title to, and beneficial ownership in, the Shares, free and clear of all liens, restrictions, claims, liabilities, pledges, conditions, security interests, encumbrances or preferential arrangements of any kind.

SECTION 6: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as of the date hereof and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, in which case, such representations and warranties shall be true and complete as of such date and time) as follows:

6.1. **Organization, Standing and Authority.** Buyer is a [corporation] duly organized, validly existing, and in good standing under the laws of the [State of Maryland] and has the requisite corporate power and authority to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms. Buyer has the requisite corporate power and authority to execute, deliver and perform this Agreement and the documents contemplated hereby according to their respective terms and to own the Assets.

6.2. **Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a 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.

6.3. **Absence of Conflicting Agreements and Required Consents.** Subject to the receipt of the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both), including the exercise of the Stock Option: (a) do not require the consent of any third party other than the Buyer's Lenders; (b) will not conflict with the Articles of Incorporation or Bylaws of Buyer; (c) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which any Buyer is a party or by which any Buyer may be bound, other than the Buyer's Credit Agreement. Except for the FCC Consent provided for in Section 8.1 of this Agreement, no consent, approval, permit, or authorization of, or declaration to, or filing with any governmental or regulatory authority or any other third party is required (y) to consummate this Agreement and the transactions contemplated hereby, or (z) to permit Buyer to acquire the Assets or the Shares from Seller or to assume certain liabilities and obligations of Seller in accordance with Section 2.6 of this Agreement.

6.4. **Brokers.** No Buyer nor any person or entity acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

6.5. **Buyer Qualifications.** Except as disclosed on Schedule 6.5, Buyer and Buyer's Affiliates are (and pending Closing will remain) 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. Except as disclosed on Schedule 6.5, Buyer knows of no fact that would, under existing law and the existing rules, regulations, policies, and procedures of the FCC (a) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station, or (b) cause the FCC to fail to approve in a timely fashion the application for the FCC Consent. Except as disclosed on Schedule 6.5, no waiver of any FCC

rule or policy is necessary to be obtained for the grant of the applications for the assignment of the FCC Licenses to Buyer.

SECTION 7: OPERATION OF THE STATION PRIOR TO CLOSING

Seller, to the extent applicable, covenants and agrees that between the date hereof and the Closing Date, it will operate the Station in the ordinary course in accordance with industry practice (except when such practice would conflict with the following covenants or with other obligations of Seller under this Agreement or the Operational Agreements); and except as contemplated by this Agreement or with the prior written consent of Buyer (such consent not to be unreasonably withheld), Seller will act in accordance with the following insofar as such actions relate to the Station:

7.1. **Contracts.** Seller will not renew, extend, amend or terminate, or waive any material right under any Contract, or enter into any contract or commitment or incur any obligation that will be assumed by or be otherwise binding on Buyer after Closing, except (a) the renewal or extension of any Contract that exists on the date hereof on its existing terms and in the ordinary course of business, and (b) other Contracts (other than network affiliation agreements, or time brokerage or local marketing arrangements) entered into in the ordinary course of business consistent with Seller's past practices that do not involve consideration, in the aggregate, in excess of Five Thousand Dollars ($5,000) individually or Fifteen Thousand Dollars ($15,000.00), except for Contracts that are for repairs and/or maintenance identified by Seller as required to maintain the Station's broadcast signal at current levels or repairs, provided that Seller shall notify Buyer of the scope and cost of such repairs prior to commencing such repairs. In the event Seller exceeds the Five Thousand Dollars ($5,000) individually or Fifteen Thousand Dollar ($15,000.00) limit set forth above, Buyer shall have no obligation to assume such Contract(s) on the Closing Date. Prior to the Closing Date, Seller shall deliver to Buyer a list of all Contracts entered into between the date of this Agreement and the Closing Date and shall make available to Buyer copies of such Contracts.

7.2. **Compensation**. From the date of this Agreement through the Closing Date, Seller shall not materially increase the compensation, bonuses, or other benefits payable or to be payable to any person employed in connection with the conduct of the Station's Business, except in accordance with past practices, as required by an employment agreement or consulting agreement or in connection and commensurate with the change in responsibility of any employee.

7.3. **Encumbrances.** Seller will not create, assume, or permit to exist any mortgage, pledge, lien, or other charge or encumbrance affecting any of the Assets or the Shares, except for (a) liens disclosed in Schedule 7.3, (b) liens that will be removed prior to the Closing Date, and (c) Permitted Encumbrances.